**For General Release**

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| **REPORT TO:** | **CABINET 15 July 2013** |
| **AGENDA ITEM:** | **9** |
| **SUBJECT:** | Integrated Commissioning Unit for Health and Social Care |
| **LEAD OFFICER:** | Hannah Miller, Deputy Chief Executive and Executive Director, Adult Services, Heath & Housing, Croydon Council<br>Paul Greenhalgh, Executive Director, Children, Families and Learning, Croydon Council<br>Paula Swann, Chief Officer, Croydon Clinical Commissioning Group |
| **CABINET MEMBER** | Councillor Margaret Mead, Cabinet Member for Adult Services and Health |

**CORPORATE PRIORITY/POLICY CONTEXT:**

This proposal addresses the following Council priorities:

**Protecting Resident priorities** - services provided for the most vulnerable.

**Transforming the Council** - a focus on high quality commissioning.

**Public Service Reform** - value for money within the local health and social care economy.

**Empowering Communities** – a focus on preventative and personalised services that are responsive to the needs of local residents and patients.

The proposal also addresses the following CCG priorities:

**Commissioning integrated**, safe high quality services

Have **collaborative relationships to ensure an integrated approach**

**FINANCIAL IMPACT**

The proposal will support the Council and CCG to deliver planned and future efficiency savings.

**KEY DECISION REFERENCE NO.: 1241**

This is a Key Decision as defined in the Council's Constitution. The decision may be implemented from 1300 hours on the 5th working day after it is made, unless the decision is referred to the Scrutiny & Strategic Overview Committee by the requisite number of Councillors.

**The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below**

## 1. RECOMMENDATIONS

1.1 To agree to the commencement of formal consultations with staff and Trade Unions about the proposals set out in the report.

1.2 To delegate to the Executive Directors of Adult Services, Health and & Housing and Children Families and Learners, in consultation with the Director of Democratic and Legal Services, and subject to the consultation referenced above with staff and due consideration thereof, authority to negotiate and agree by way of a Section 75 Agreement under the National Health Services Act 2006 the practical arrangements as proposed in this paper for the establishment of an Integrated Commissioning Unit (ICU) for health and social care, with a single line of management within the Council, but dual accountability to the Clinical Commissioning Group (CCG) for health services, and to the Council for adult and children's social care services.

## 2. EXECUTIVE SUMMARY

2.1 Both the local NHS and Croydon Council decision-making bodies took decisions in 2012 to affirm an approach creating an Integrated Commissioning Unit (ICU) for health and social care in Croydon. The Council's Cabinet made a key decision on 16th October 2012, and the Clinical Commissioning Board, on 25th May 2012, agreed that the proposals for a Croydon Integrated Commissioning Service should be taken forward. Integrated commissioning arrangements subsequently became a key part of the CCG's authorisation process, particularly in respect of demonstrating the achievement of 'collaborative arrangements for commissioning'.

2.2 This report serves to move beyond policy and the assumed benefits in terms of maintaining stability through organisational reform. It seeks to update both organisations on progress towards the establishment of the ICU, setting out in greater detail the further steps proposed in order to meet objectives, the levels of investment in the endeavour and the anticipated benefits and risks to both organisations.

2.3 As previously advised to Members, the establishment of an ICU would not alter, reduce or dissipate the respective statutory responsibilities of the CCG or the Council, including their decision-making roles and formal processes. All decision-making relating to commissioning would, as now, remain the responsibility of the relevant bodies.

## 3. DETAIL

### 3.1 Background

3.1.1 The Health and Social Care Act 2012 made major changes to local health and social care systems.

These include:

- changes to the commissioning of NHS services
- changes to the organisation responsible for local public health
- greater focus on integrated planning, commissioning and provision of services.

The responsibility for health commissioning transferred to clinical commissioning groups (CCGs) and NHS England (formerly the NHS Commissioning Board), whilst local authorities retained responsibility for the wide range of services delivering social care and general wellbeing, but also gained responsibility for public health improvement.

3.1.2 CCGs comprise GPs working closely with professional and clinical colleagues and patients. Moving the primary responsibility for commissioning NHS services from PCTs to CCGs is a significant organisational change. CCGs are able to decide their own organisational form, governance arrangements and priorities. In order to fulfill commissioning obligations CCGs receive a per capita level of funding from NHS England, to which they are accountable.

3.1.3 Discussions began in Croydon in mid 2011 to strengthen and extend a set of existing formal arrangements that had been established a number of years previously as ‘joint commissioning’ around the needs of certain groups of social and health care service users. The intention to move towards a more mature, ‘integrated commissioning’ model gained pace and, following consultations a process formally commenced in January 2012 to develop options for future models.

3.1.4 Future models seek to address the areas of common interest for the Council and NHS bodies, to meet shared challenges and support shared values and objectives between these public bodies, in the interests of local people.

3.1.5 Both the local NHS and Croydon Council decision-making bodies took decisions in 2012 to affirm an approach to creating an Integrated Commissioning Unit for health and social care in Croydon. The Council's Cabinet made a key decision on 16th October 2012 to support 'the establishment of an integrated commissioning unit for health and social care to be based and managed within the Council with dual accountability to the Clinical Commissioning Group (CCG) for health services, and to the Council for adults and children's social care services.' On 25 May 2012, the Clinical Commissioning Board agreed that 'the proposals for a Croydon Integrated

Commissioning Service should be taken forward' and these proposals subsequently became a key part of the CCG's authorisation process, particularly in respect of the requirement to demonstrate 'collaborative arrangements for commissioning with other CCGs, local authorities and NHS England as well as appropriate commissioning support'.

3.1.6 There is general agreement amongst the main political parties of the need for integrated health and social care services, although not necessarily on the detail of this. Successive policy documents have emphasised the benefits to be gained from integration. The Health & Social Care Act 2012 emphasised the need for an integrated approach and the recent Care and Support Bill proposes a duty to be placed on Local Authorities to “exercise its functions ... with a view to ensuring the integration of care and support provision with health provision”.

3.1.7 The government asked the NHS Futures Forum to provide independent advice on four key themes. One of these is to ensure the modernisation programme leads to better integration of services around people’s needs. The NHS Futures Forum emphasises integration focused on better outcomes. (Integration – A report from the Future Forum. London 2012). In May 2013 the government announced plans to make integrated care the norm by 2018 with new “pioneer” areas based on an integrated approach. The first successful pioneer localities will be appointed by September 2013.

3.1.8 In response to the recommendations of the Francis Report (the independent inquiry into care provided by Mid Staffordshire NHS Foundation Trust - 2010), all agencies working in health and social care have given explicit consideration to how they assure themselves of quality, safe services for their patients/service users which are delivered to a high standard. Locally, Croydon CCG and the Council are planning to consolidate and strengthen contract monitoring and review capacity through the proposed ICU. Currently, there are individual officers responsible for this function working to specific client groups. Through the ICU proposal the intention is to bring these skilled staff together in a dedicated team with enhanced capacity so they can be deployed flexibly when any issues arise, as well as continuing their regular contract monitoring role.

### 3.2. Drivers for the Integrated Commissioning Unit Approach

3.2.1 Whilst there is no current duty to implement structural integration it is considered that the establishment of the proposed ICU for Croydon is the best way to achieve positive outcomes for people who use health and social care services, and their carers, and to generate more efficient and productive ways of working for both the Council and the CCG.

3.2.2 Croydon’s health and social care economy faces significant challenges over the coming years. These include an ageing population, rising demand for services and high public expectations of those services. In addition to this, both the Council and the CCG face significant financial challenges through 2013/14 and into the foreseeable future. Croydon CCG’s agreed financial

strategy is to deliver a £30m savings programme over the next three years (2013/14 (£14m), 2014/15 (£10m) and 2015/16 (£6m) to improve significantly the financial position by the end of 2015/16.

3.2.3 To meet the four main challenges of changing demography, rising demand, changing expectations and reduced resources the ICU will be commissioning solutions in very different ways. This will involve:

- working in an integrated way through the whole cycle of intelligent commissioning
- together assessing needs, prioritising and specifying outcomes
- agreeing resourcing
- procuring and commercially managing services and products, and the market of service providers

3.2.4 Croydon CCG and Croydon Council are strongly committed to furthering the prevention agenda across services for both adults and children. This is so that:

a) long-term health problems can be prevented before they arise
b) people already affected by poor health or multiple long-term conditions can be supported to manage their condition themselves through good knowledge, help and "peer-support" from others with similar conditions, or from family carers.

3.2.5 Public Health have a long tradition of promoting prevention at the population level or for specific communities. Now, both the Council, through its evolving Adult Care Commissioning strategy, and the CCG through their 'Prevention, Self-Care and Shared Decision Making Strategy' are giving clear priority to a range of prevention work streams, many of which are carried out in partnership by the voluntary and community sectors who can have access to a wide range of people in their local neighbourhoods.

**3.3 Benefits and Risks**

3.3.1 Integrated commissioning is generally regarded as a way of working that can produce greater efficiencies, empowerment and productivity. By itself, the co-location of staff from different agencies - however aligned in their focus on one customer / citizen / patient or service-user - will not necessarily produce the aspirational aims for integrated commissioning. A key ambition of integrated commissioning is to achieve better outcomes for, and with, service-users and patients, but the research would suggest this is by no means a guarantee. Consequently, planning for realising these aims has to focus on the notion of doing things in a different way - together - in order to succeed.

3.3.2 The concept of 'joint commissioning' across health and a range of local authority functions has been in existence for over 10 years and has operated successfully in Croydon for Mental Health and Learning Disability since 2002, providing the foundation from which an integrated approach could be extended to all areas. Appendix A outlines three broad benefits that can be

derived from greater integration in commissioning and the kinds of organisational processes and practices that support them. There are a number of areas of service delivery that we need to apply this 'whole-system' approach to urgently in Croydon because of high cost and heavy demand. Examples include:

- Redesigning services for people with long-term conditions, particularly older people, who are frequent users of both health and social care services
- Ensuring 'continuing care' services are secured at better value for money
- Quality assuring the services provided across the system, ensuring good standards, including integration across delivery

3.3.3 The main benefits identified as a result of greater integration are: Efficiency, Empowerment and Prevention. However, in order to achieve these benefits it is necessary to move beyond just focusing on improving outcomes for the individual. Management of the integrated system will need to focus on creating the organisational and cultural environment that will deliver the desired outcomes for the community as a whole in ways that are sustainable over time.

- Efficiency – Increasing the range of providers and acting on the leverage position of the integrated unit in the health/social care market. This will:

  - give service-users more choice
  - drive competition on cost and quality
  - encourage greater innovation
  - reward the best and most efficient

  It will also create system-management reforms, using service redesign to improve whole-system decision-making to support quality, safety, fairness, equity and value for money.

- Empowerment – Encouraging a shift towards greater patient and service-user involvement. This will be achieved through co-production, co-design and co-evaluation of services, and through self-management and shared decision-making. This would also apply to "self-funders" of social care for whom the Government's expectation is that councils should provide high quality information, advice and support.

- Prevention – Embracing the importance of self-care and citizens taking informed responsibility for their own health, to address wellbeing more effectively and the avoidance of higher cost and high dependency. This would go hand-in-hand with the promotion of independence and community resilience, and give a much higher focus to demand management. In addition, there is a need to develop a wide range of measures to ensure that people with long-term health conditions are supported to prevent their condition from worsening.

3.3.4 To summarise, in terms of efficiencies there will be measurable savings delivered primarily through more effective commissioning and procurement, market management and contract performance management. Additionally, internal system efficiencies will be generated through the elimination of role and process duplication. For example there are already early discussions around the Council and CCG working collectively to create a joint framework for procurement of health and social care including domiciliary care, residential and nursing care and some aspects of special educational needs.

3.3.5 The investment each organisation brings to the Integrated Commissioning Unit is as follows:

| | | |
|---|---|---|
| Council | Adult Commissioning spend (non-Public Health) | **£95.20m** |
| | DASHH Staffing spend | £1.8m |
| | Children's Commissioning spend (non-Public Health) | **£6.1m** |
| | CFL Staffing spend | £0.06m |
| | Public Health Commissioning spend (Children and Adults) | **£10.00m** |
| | Public Health contribution to staffing spend | £0.12m |
| CCG | Commissioning spend(Children and Adults) | **£104.70m**† |
| | Staffing spend NB: (Does not include CSU staff costs) | £0.86m |

† This represents the non-acute part of the CCG commissioning spend. Additional savings should also be enabled in acute spending through better primary care commissioning.

In terms of the balance of investment from the respective organisations, this is based on the status quo following the recent reorganisation of the NHS and reflects the fact that some CCG commissioning functions are now undertaken through the South London Commissioning Support Unit.

3.3.6 There are already commissioning savings identified as part of current efficiency savings programmes delivered through adult care commissioning. For the Council these identified savings amount to £6.5m across 2013/14 and 2014/15. The proposed integrated approach to commissioning via the ICU will reinforce the delivery of these savings and the CCG savings programme referred to in paragraph 3.2.2. It is also anticipated that a further £450k saving

can be generated for the Council within the adult commissioning budget in each of the next two financial years as a result of the increased productivity that will be created by health and social care staff working closely together and the focus on integrated, outcomes based commissioning. Taken together this represents approximately 7.7% of the Council's investment in services commissioned for adults.

3.3.7 The scale of public services efficiencies that will need to be achieved, particularly as we move beyond 2014/15, are understood. They demand an equally serious ambition for the scale of savings that can be realised through integrated commissioning. It will be the priority of the Integrated Commissioning Executive Board, once established, to begin to generate the necessary detail around the joint efficiency and productivity programme. The Council has an excellent track record in making the required savings through commissioning and procurement, rather than through service cuts, over recent years. This proposal for an Integrated Commissioning Unit represents the best chance of securing future service delivery.

3.3.8 Part B of this report provides details of the proposed staffing and management structure for the ICU. This seeks to achieve greater commissioning strength across both organisations along with capacity for the delivery of efficiencies in the Health system through QIPP (Quality, Innovation, Productivity & Prevention – the NHS programme for achieving efficiencies whilst simultaneously improving the quality of care) and social care savings in the Council. It also builds on the successful approach to integrated commissioning for Mental Health and Learning Disability adopted in Croydon over ten years ago.

3.3.9 In this new proposed structure there is increased staffing investment by the CCG in relation to service transformation and pathway re-design to build on existing achievements across health and social care. There is also a modest investment in staffing terms to secure commissioning support for the additional £10m of Public Health spend. The Council is maintaining its current level of commissioning capacity within the new structure. However, an initial saving of £100k is anticipated at this stage, arising from the rationalisation of posts generated through greater integration of roles and responsibilities. This will be kept under constant review to maximise the potential for further efficiencies for both organisations.

3.3.10 Increasing the capacity to commission across both Health and the Council for children and families will be a major benefit to achieving shared objectives and it has been agreed as a core priority for both agencies to move forward together to support models of commissioning and build the right levels of support.

3.3.11 This work proceeds with some pace, recognising the different context to commissioning and transformation within children's services. As such, it is intended that the Integrated Commissioning Unit will lead the strategic development of commissioning of Children's Services in Croydon, both through the direct commissioning of health and community services, and also

influencing and supporting the commissioning of services beyond the scope of the Unit. The Integrated Commissioning Unit will work in close partnership with CFL service commissioners (who will retain budget accountability for some services) to collaborate in the commissioning of services (such as Children's Centres). This will ensure that an integrated and strategic approach to the commissioning of children's services is achieved, maximising the opportunities to improve outcomes and increase value for money, but avoiding the risks that a larger reorganisation of services could introduce at this time whilst other strategic transformation programmes continue to be delivered (such as Children's Social Care Transformation). This is also an opportunity to strengthen the integration of public health functions.

3.3.12 The section below on Organisational Development outlines some of the potential risks to both organisations, particularly around employment of staff, in terms of cultural misalignment, and in terms of impact of organisational change on other parts of each organisation - all of which need to be handled thoughtfully. Other known risks considered include potential additional pressure on commissioning support functions in the Council and how, together, we handle such support coming from more than one place (i.e. from the South London Commissioning Support Unit and from the Council's Strategy Commissioning Procurement and Performance service (SCPP). They also include the potentially destabilising effects on the workforce (including loss of staff) and the risk of a loss of focus on core tasks. Risks can be mitigated by ensuring excellent communication and project planning. All identified risks will be subject to monitoring and review by the ICU Executive Board.

### 3.4 Organisational Development

3.4.1 Whilst there may be differences in terms of commissioning cultures and procurement guidelines between the NHS and the local authority, commissioning by both organisations involves similar processes. However, the current arrangements do not optimise the capacity the organisations jointly have across the whole system; the proposed Integrated Commissioning Unit seeks to do so.

3.4.2 It is considered that the key to creating an even more effective approach to commissioning for both organisations requires greater system alignment, information-sharing, the development of greater professional empathy, sharing of ideas, collaboration and a common language. These measures can have a transformational impact on productivity allowing synergy in ways of working in the face of increasingly complex environments.

3.4.3 As such, the desire to move to a unified, streamlined and co-located structure as soon as possible is a strong one. The CCG have given formal agreement to their staff being based at Bernard Weatherill House, and the plan is for the ICU to see all staff (NHS and Council) co-located, with the new structure being put into place to coincide with that ambitious timescale (i.e. October 2013), or as soon after that as is reasonably possible given the need to

observe the statutory consultation process with staff, Trades Unions and any other relevant stakeholders.

3.4.4 A strong identity is envisaged for the ICU as the place where all strategic commissioning for health and wellbeing is led. A feature of the proposed new arrangements will be clarity around the strong role of Public Health in commissioning and the influence of clinicians (GPs) on the wider 'wellbeing' agenda. All commissioning for public health, for example, will be carried out through the ICU, supported by the advice and intelligence provided to the Unit by public health practitioners, across all functions and not just in relation to dedicated Public Health funding streams.

3.4.5 The proposed structure is in an advanced development stage and will be the subject of consultation with affected staff and their representatives. As such, it is a starting point for consultation and is not 'set in stone'. Human Resources representatives from both organisations are already actively working together so that an aligned process will shortly be in place. This is covered in more detail in Part B of this report.

3.4.6 The proposed arrangements reflect the commitment of both organisations to strengthen their approach to working in partnership. It is intended that this will be formally supported through a new formal partnership agreement arranged under Section 75 of the National Health Service Act 2006. This will supersede and update existing agreements of this kind between the parties. The proposed day to day operation, delegation and governance arrangements for the ICU are also underpinned through a Memorandum of Understanding (Appendix C). Whilst not legally binding this will assist in the formulation of the Section 75 agreement, and will be further strengthened through the subsequent development of jointly agreed working protocols.

3.4.7 CCGs, including NHS Croydon CCG, are accountable to NHS England and are currently required to derive some elements of their commissioning support from regionally based Commissioning Support Units that are hosted by NHS England. The future for CCG commissioning support, in less than two years' time, is for greater freedom for CCGs in the sourcing of their commissioning support. This is an opportunity for the success of the ICU to be demonstrated and for it to strengthen its place in the system.

### 3.5 Governance Principles

3.5.1 It is proposed that the ICU is managed through an Executive Board and Director-level post as leader of the Unit. Staff from respective organisations will retain responsibilities and accountability within their own organisations. Commissioning teams will have clear reporting lines to CCG Clinical Leads and strong links with Public Health, along with effective links with the CCG Commissioning Support Unit and NHS England. At the same time there will be an acknowledgement of the shared responsibilities the ICU will take on to provide a commissioning support function for the CCG and to commission services for the Council. These will be covered through the Section 75 agreement.

3.5.2 The scope of the proposed ICU will include:

- Children's commissioning (health and community services, including school nursing)
- People with long-term chronic conditions, including older people
- Physical disabilities and sensory impairment
- End of life care
- People experiencing mental ill-health
- Mental health of older people, including people with dementia
- Planned care
- Urgent care
- Drug and alcohol misuse
- Supported housing and other support to vulnerable adults
- Learning disability
- Support to family carers
- Sexual health
- Service redesign
- Children's and adult's weight management
- Smoking cessation
- NHS health checks

3.5.3 The recent transfer of many public health functions and staff to the Council, and their close proximity with health and social care commissioners, will also give important support and synergies to integrated commissioning.

3.5.4 There is no proposal at this time to extend the current and limited use of pooled budgets. However, should the CCG and Council wish to explore this in the future the foundations will be soundly in place. These include good local intelligence on cost and quality from both a health and social care perspective, along with a clear governance framework for the ICU.

3.5.5 More work is needed by both organisations to develop the mechanisms to empower individuals to use resources through 'personalisation' routes, including the practical realisation of personal health budgets in continuing health care to complement personal social care budgets, as currently required by April 2014. Subject to formal agreement between the parties, the Council's experience to date in this area could help the CCG to achieve economies through the use of Council infrastructure systems which are already designed to accommodate personal health budgets.

## 4. CONSULTATION

4.1 During July 2012 both the PCT and the Council separately held meetings to share information with their commissioning staff about this proposal. These meetings were followed with a written briefing in September 2012 for all PCT and Council staff affected. A further newsletter is to be circulated to staff in early July and regular information bulletins will be provided throughout the remainder of this project.

4.2 This proposal requires the observance of a statutory consultation period. Cabinet agreement to proceed with the practical plan to create the Unit is therefore needed now so that preparations can be made for the consultation process with staff, Trades Unions and any other relevant stakeholders.

4.3 Further details of arrangements for consultation on this proposal are covered in Part B of this report.

## 5. FINANCIAL RISK AND ASSESSMENT CONSIDERATIONS

### 5.1 Revenue and Capital consequences of report recommendations

| | Current year | Medium Term Financial Strategy – 3 year forecast | | |
|---|---|---|---|---|
| | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
| | *£'000* | *£'000* | *£'000* | *£'000* |
| **Revenue Budget available** | 95,200 | 93,000 | 92,550 | 92,100 |
| Expenditure | | | | |
| Income | | | | |
| **Effect of decision from report** | | | | |
| Expenditure | | -450 | -450 | |
| Income | | | | |
| **Remaining budget** | 95,200 | 92,550 | 92,100 | 92,100 |
| **Capital Budget available** | N/A | N/A | N/A | N/A |
| Expenditure | | | | |
| **Effect of decision from report** | | | | |
| Expenditure | | | | |
| **Remaining budget** | | | | |

The above figures represent the Council's adult commissioning expenditure only. Children's commissioning spend is currently under consideration as part of the 2014/15 efficiencies programme, while the Public Health budget is subject to a full review and any potential efficiencies will be identified separately through this.

### 5.2 The effect of the decision

The effect of the decision is the establishment of an integrated commissioning unit and a unified approach to the commissioning of community health and social care services. This is expected to deliver savings for both the CCG and the Council through the more effective use of the reducing financial resources available to both organisations, and a more cohesive approach to commissioning and contract management.

5.3 **Risks**

Financially there is a bigger risk to the Council in not pursuing the integration of health and social care commissioning as this would potentially undermine the efficiencies already achieved through an integrated approach in Mental Health and Learning Disability. Both organisations will work through the Executive Board to ensure the savings generated fall proportionately and equitably between the CCG and Council budgets by prioritising the focus of work undertaken through the Unit.

5.4 **Options**

Maintaining the status quo, or simply closer collaboration and co-location, is unlikely to deliver the same efficiencies and productivity gains that could be achieved through the proposed structural integration.

5.5 **Future savings/efficiencies**

The savings identified in the table above represent existing efficiency savings in the Council's adult care commissioning budget for 13/14 and 14/15 and a minimum indicative level of additional efficiency savings spread across 14/15 and 15/16. It is anticipated that the majority of this will result from improved efficiencies in the commissioning of services, although some may be derived from further rationalisation of posts over time and the elimination of role duplication.

(Approved by: Paul Heynes, Head of Finance – DASHH, Corporate Resources and Customer Services Department)

## 6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

6.1 The Solicitor to the Council comments that the proposals set out within the report will need to be formalised by way of agreement between the parties under the provisions of Section 75 of the National Health Service Act 2006, as identified within the body of the report, in particular to provide clarity around accountability and governance frameworks under which the ICU will operate and to mitigate risks to both parties.

(Approved by: Jessica Stockton, Corporate Solicitor for and on behalf of the Council Solicitor & Director of Democratic & Legal Services)

## 7. HUMAN RESOURCES IMPACT

7.1 This is addressed in Part B of this report.

## 8. EQUALITIES IMPACT

8.1 The CCG and the Council already commission services that provide support to people across the whole range of protected characteristics. It is anticipated that an integrated approach to health and social care commissioning will strengthen existing approaches to equalities.

8.2 An initial equalities analysis has already been undertaken and is a background document.

## 9. ENVIRONMENTAL IMPACT

9.1 It is expected that an integrated commissioning service will help to address environmental concerns through the systematic and consistent consideration of these across health and social care commissioning activity and contractual arrangements.

## 10. CRIME AND DISORDER REDUCTION IMPACT

10.1 It is not expected that this proposal will have any significant additional impact on the reduction of crime and disorder. However, the commissioning of health and social care services already has a positive impact on crime and disorder reduction, and the focus on preventative, community based services through an integrated approach is likely to enhance this.

## 11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

12.1 Extending a joint approach to all areas of health and social care commissioning would advance the strategic overview. This would also help to deliver efficiencies for both the Council and the CCG through agreed outcomes to be derived from the services commissioned.

## 12. OPTIONS CONSIDERED AND REJECTED

12.2 Maintaining the status quo is an option and much could still be achieved through closer alignment. It is not, however, thought to be the most sustainable given the economic climate, the government's emphasis on improved integration and the need for public services to make further efficiencies.

12.3 Co-location and more collaboration alone will not achieve the full benefits that can be achieved through a fully structurally integrated unit. The latter has the potential to deliver further benefits for both organisations through productivity gains and the elimination of overlapping responsibilities in existing posts. Further structural integration of resources, both human and financial, could be considered earlier but a process of maturity is proposed as a more manageable option in the short to medium term.

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**CONTACT OFFICERS:**
Brenda Scanlan, Director of Adult Care Commissioning – DASHH, Croydon Council
Stephen Warren, Director of Commissioning – Croydon Clinical Commissioning Group

**Background Documents:** Initial equalities analysis

**APPENDIX A: Aims of integrated commissioning identified through literature research**

**(**Joint Commissioning in Health and Social Care: An Exploration of Definitions, Processes, Services and Outcomes. NHS Research Delivery and Organisation Programme. Dickson, Glasby et al; 2013**)**

| | **Joint Commissioning as Prevention** | **Joint Commissioning as Empowerment** | **Joint Commissioning as Efficiency** |
|---|---|---|---|
| **What joint commissioning should achieve** | Deliver preventative services through early intervention. This should in turn reduce inequalities, improve the quality of services and make services more accessible. | This should involve patients, service users and carers in the co-production of services. A user-led approach to care should be adopted that promotes self-care and in doing so transforms health and social care away from being professionally-led. | What is important is improving efficiency and reducing waste and duplication in health and social care services. In turn this should also improve access and performance of services. |
| **Organisational processes to promote joint commissioning** | Service re-design is important here and thinking about the needs of individuals and providing services around these. A key role for the alignment of strategies and budgets and the development of care pathways. | Personalisation of services plays an important role here with service users being given budgets with which to determine their own care. Fairness, inclusion and respect should be at the heart of all processes. | Increasing the number of providers that are available to health and social care commissioners will give more choice and competition. Greater freedoms and flexibilities for providers and the freedom to innovate should be supported by incentive-based reward, and quality will be assured through inspection. |
| **Organisational practices that support joint commissioning** | The focus here is around commissioning practices and making full use of the Joint Strategic Needs Assessment to identify gaps in need. | What is important is how we work with service users and carers and the management of complex relationships. Workforce development and training may help with this. | More effective management of information may help to identify waste. What is important is the relationship with providers of care and how these are contracted with and performance managed. |

## Appendix B: Timetable

### Integrated Commissioning Unit Project – GANNT Chart – V.1 – 14TH March 2013

| No. | Milestone | May 2013 | | | | June 2013 | | | | July 2013 | | | | Aug 2013 | | | | Sept 2013 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Cabinet / CCG Paper(s) drafted, commented on and signed off | | | | | | | | | | | | | | | | | | | | |
| | Cabinet paper submitted – deadline for submission 5th June 2013<br>CCG paper submitted – deadline unknown | | | | | | | | | | | | | | | | | | | | |
| | Meeting with TU reps<br>Initial meeting with HoS | | | | | | | | | | | | | | | | | | | | |
| | Commence drafting – Job descriptions, Consultation papers, FAQs sheets | | | | | | | | | | | | | | | | | | | | |
| | Job descriptions, consultation papers, FAQs sheets – signed off | | | | | | | | | | | | | | | | | | | | |
| | Job Descriptions / GLPC Questionnaires submitted for grading | | | | | | | | | | | | | | | | | | | | |
| | Grading(s) approved and returned – Consultation packs for staff / TU reps prepared | | | | | | | | | | | | | | | | | | | | |
| | Cabinet meeting – 15th July 2013 | | | | | | | | | | | | | | | | | | | | |
| | 7 day period takes place (ends 22nd July 2013) | | | | | | | | | | | | | | | | | | | | |
| | Six week Consultation with staff commences – 23rd July 2013 | | | | | | | | | | | | | | | | | | | | |
| | Six week Consultation concludes – 8th September 2013 | | | | | | | | | | | | | | | | | | | | |

**APPENDIX C: Memorandum of Understanding**

# Memorandum of understanding for Croydon joint commissioning and the establishment of an integrated commissioning unit

## This document

1. This memorandum of understanding (MOU) is in two parts. Part A describes in general terms the framework for cooperation between Croydon Council, the Croydon Clinical Commissioning Group (CCG), to joint commissioning. Part B describes the framework for cooperation in relation to an integrated commissioning unit which supports joint commissioning between the Council and the CCG.

2. This MOU is a statement of intent to provide clarity for internal purposes. It is acknowledged that it does not create any legal obligations for either Croydon Council or Croydon Clinical Commissioning Group.

## Part A: Overview of joint commissioning

### Introduction and background

3. This part sets out how the organisations will work together to maintain and strengthen joint working arrangements in general terms.

4. This agreement is based on five guiding principles:

    - **Focus on outcomes**. What matters most is better health and wellbeing outcomes for Croydon citizens and we will plan and organise ourselves accordingly;
    - **Clear accountability**. Each organisation must be accountable for its actions, so each must have unambiguous and well defined responsibilities, with absence of duplication;
    - **Transparency**. It must be clear to all the participating agencies and the public who is responsible for what;
    - **Collaborative working**. Each organisation will proactively take action to maintain and strengthen joint working arrangements; and
    - **Regular appropriate information exchange**. Ensuring each organisation can discharge its responsibilities as efficiently and effectively as possible in line with information sharing protocols.

5. Croydon has a history of successful partnership working, supported by a number of joint posts and teams The transition of public health to local authority leadership has recently been completed successfully. The CCG is now actively progressing co-locating their NHS commissioning staff with the Council's staff at Bernard Weatherill House.

6. This memorandum of understanding sets out how those staff responsible for commissioning health and wellbeing services at a local level in Croydon (Croydon Council, Croydon CCG and NHS South West London) will work together through a jointly beneficial arrangement known as the 'integrated commissioning unit' (ICU).

7. Each organisation that is part of this arrangement exists within slightly different governance and accountability frameworks and is part of wider organisational structures. As part of its target operating model the Council draws its commissioning support from a centralised strategy, commissioning, procurement and performance function (SCPP). This will offer specialist procurement, contracting, market analysis and strategic support. In a similar way the CCG will draw its commissioning support from the South London Commissioning Support Unit (CSU).

8. This MOU articulates how Croydon Council, Croydon Clinical Commissioning Group and NHS South West London will work in partnership to harness opportunities presented by the current reforms, build on previous successes, how this will be achieved and what the measures of success will be.

**Strategy, planning and community engagement**

9. We will build on our successes together to:

- Provide strategic leadership on health and wellbeing for the population of Croydon;
- Improve outcomes in health and wellbeing through local partnerships and through joint commissioning where possible strengthened by a co-located integrated commissioning unit
- Ensure partner involvement in wider strategic developments such as the NHS Better Services Better Value programme;
- Design and deliver in partnership the Croydon response to any new nationally identified commitments and areas for improvement.

10. We will achieve this by:

- Setting joint priorities, especially through review and updating of the Joint Strategic Needs Assessment and the Children's Services needs analysis and effective engagement with service users and the community over its findings;
- Developing joint strategies, policy and operational guidance, to include the development of a joint Health and Wellbeing Strategy and Children and Young People's plan;
- Identifying opportunities for formal partnership arrangements, including the aligning and delegation of budgets
- Integrated provision where this will help to achieve improved outcomes for individuals;
- Exploring the potential for maximising the added value of support from the Council's SCPP function in strengthening joint commissioning.

11. Measures of success will be:

- Achieving positive community engagement with the Health and Wellbeing Strategy and Children & Young People's plan;
- A Health and Wellbeing Strategy embedded within the plans of commissioners;
- Agreeing the scope for aligning and any further pooling of budgets and other formal partnership arrangements, as part of the preparation of the Health and Wellbeing Strategy and Children and Young People's plan;
- Maximising opportunities for integrated and innovative commissioning across health and social care and public health.

## Governance and organisational structures

12. Accountability of the Clinical Commissioning Group will be to NHS England for financial performance, quality of services, health outcomes and governance.

13. Accountability of the local authority is through its democratic governance structures, including the overview and scrutiny function and through local HealthWatch.

14. Both the Council and CCG will also have a collective responsibility, as members of the Health and Wellbeing Board, for delivering their part of the joint Health and Wellbeing Strategy of the Health and Wellbeing Board.

15. Health and wellbeing boards in their entirety will be accountable to communities and service users to ensure health and well-being outcomes are improving and health inequalities are reducing as a result of:

    - Commissioning effective health and well-being services
    - Influencing cross-sector decisions and services to have positive impacts on health and well-being.

16. Initial stages of identification and development of commissioning priorities will be carried out through the usual governance structures of the Council (Children Families and Learners services, Adult Services, Health and Housing, and Public Health) and the CCG.

17. Any potential conflicts that may arise in the implementation of priorities or the timescales associated with them will be managed through the governance arrangement for the ICU. This comprises an integrated commissioning Executive board made up of the Chief Officer of the CCG, the Executive Director CFL Croydon Council, the Director of Public Health, and the Executive Director DASHH Croydon Council.

18. Measures of success will be:

    - Measurable improvements in service outcomes for individuals
    - Demonstrable quality and value for money across the commissioned services
    - A co-located and effective integrated commissioning unit working towards full integration, organised to achieve a shared set of objectives in a more efficient way;

## Information sharing

19. We recognise the need to share information appropriately in a range of areas and the wide benefits this brings and we will:

    - Provide each other information to help promote each other's objectives when necessary within agreed information sharing protocols;
    - Integrate engagement activities where possible, to ensure a co-coordinated approach to involving residents in service design and decision making.

20. Measures of success will be:

    - Increased appropriate sharing of information to support needs assessments and service planning;
    - Arrangements for integrated service delivery and commissioning are underpinned by effective information sharing arrangements underpinned by a mutually agreed information sharing protocol.

**Safeguarding**

21. Safeguarding and promoting the welfare of adults and children is a shared responsibility and a high priority for us. To ensure this we will work together to ensure continued fulfillment of statutory requirements and commitment to supporting the statutory responsibilities of local safeguarding boards for children and vulnerable adults.

22. The measure of success will be full engagement by all parties in clear and relevant safeguarding arrangements and good safeguarding outcomes for children and adults.

23. The effectiveness of arrangements for governance of safeguarding should be reviewed annually.

**Public health and health improvement**

24. We will ensure:

    - A focus on population health and health improvement, as well as social care, consistent with the Health and Wellbeing Strategy and relevant parts of the Children and Young People's plan;
    - Effective use of the resources, strengths and powers of Public Health to support commissioning for prevention and healthier lifestyle choices;
    - Public health policy creates good conditions and support for individuals to make healthy lifestyle choices.

25. Measures of success will be:

    - Implementation of a functional model supporting the role of public health into integrated commissioning for health and wellbeing;
    - Evidence of congruence and alignment between the priorities as set out in the Health and Wellbeing Strategy and the shared commissioning intentions;
    - Recommended investment/disinvestment decisions are based on analysis of population need, the available evidence base, and assessment of the risks and benefits of alternative approaches

**Assets and efficiency**

26. We recognise that both organisations face a major challenge in the next few years in maintaining and improving services in the context of reducing resources. We will therefore commit to:

    - Adopt commissioning plans and arrangements that contribute to our efficiency programmes;
    - Take responsibility for the costs that legitimately fall on our own organisation, in terms of statutory duties, and not to seek to pass those costs onto the other party, other than through a formal agreement; and
    - Avoid actions that generate costs for the other party without having discussed the potential consequences in advance.

27. Measures of success will be:

    - Agreement on common priorities to guide deployment of resources;
    - Successful management of difficult decisions around funding and service reductions; and

- Achievement of cashable savings from efficiencies achieved through partnership working.

## Section B – Integrated commissioning unit

### Vision for the integrated commissioning unit

28. By moving to an integrated approach to commissioning the Council and CCG will achieve quality improvements in health and wellbeing within a diminishing financial envelope by acting on opportunities for realising greater efficiency and effectiveness.

29. The ICU commissioners will include relevant postholders from the Clinical Commissioning Group (CCG), from the Council Adult Services, Health and Housing (DASHH) and from Children, Families and Learners (CFL).

### Objectives of the integrated commissioning unit

30. The ICU will operate in line with the principles set out in paragraph 4. Its objectives will be to commission accessible, seamless, quality services, personalised and responsive to the changing needs of individuals and families, designed with and for the people of Croydon.

31. The ICU will work towards achievement of the following outcomes which underpin these objectives:

    - **Choice:** Choice for individuals, with clear information on what services and resources are available to support them in meeting their needs;
    - **Accountability:** The ICU will as required by the commissioning parties engage with communities about what is achievable within available resources and ensure best value from its resources, so that key targets and key priorities are delivered;
    - **Personal Control:** Care and support are provided in a manner that enables people to maximise control over their own life and environment;
    - **Respectful and responsiveness:** People and their carers will be involved in decisions that affect them and encouraged to play an active role in their communities;
    - **Partnership:** By working in partnership with service users, carers, providers, the voluntary sector and staff from all agencies and communities, better services will be delivered;
    - **Prevention:** Supporting people at home for longer through early access to support, care and health promotion.

### Scope of the integrated commissioning unit

32. The ICU will commission relevant services for the CCG and the Council. It will also seek and develop opportunities for streamlined commissioning and joint working.

33. A number of enabling functions will support the ICU, provided by the wider council services (eg. by SCPP) and by the South London Commissioning Support Unit.

34. Public Health functions and clinical leads for the CCG will work closely with commissioners, in an integrated way, to provide intelligence and evaluation that will support ongoing best practice in commissioning decision-making; further consideration will also be given to developing the relationship with safeguarding services.

35. The ICU Executive Board will keep under review the service areas established as priorities by the Health and Wellbeing board and the Children and Families Partnership, and will develop appropriate opportunities for streamlined commissioning and joint working. Initial areas agreed for inclusion in the integrated approach are:

- Long terms conditions
- Older people
- Children and young people (e.g. community health, school nursing / health visiting, children with disabilities, CAMHS)
- Continuing care
- Equipment
- Children's weight management
- Planned care
- Mental health
- Learning disabilities
- Sexual health
- Drug and alcohol services
- Supported Housing
- Support to family carers
- Service redesign
- Children's and adult's weight management
- Smoking cessation
- NHS health checks

**Governance Arrangements**

36. The ICU Executive Board will monitor and oversee the functions of the ICU. This includes how effectively the ICU undertakes relevant duties acts on behalf of the CCG and the Council in commissioning for health and wellbeing.

37. The leadership of the ICU is accountable to both the respective commissioning organisations.

38. The Integrated Commissioning Executive Board is responsible for ensuring the implementation and continuing organisational development of the ICU. Suitable joint senior management structures will be put in place by the Board to manage the business of the Unit from its inception

**Further relationships**

39. In addition to supporting the Partnership the ICU will play a pivotal role in enabling the effective joint working with the following:
    - South London Commissioning Support Unit;
    - Other Local Authority Departments;
    - NHS England , including Specialist and Primary Care Commissioning;
    - Providers of health and social care commissioned services, statutory and third sector.

**Support requirements for the ICU**

40. The ICU will require support from the public health intelligence resources in particular to deliver needs assessments and advice on clinical best practice guidance. A separate MOU exists to cover the arrangements between Public Health and the CCG

41. The ICU will be supported by the South London Commissioning Support Unit commissioned by the CCG to provide all other functions for the CCG and expertise from the Council's Strategy, Commissioning, Procurement and Performance (SCPP) team according to the Council's operating model.

42. Strong financial support from both organisations will deliver efficiency savings and alignment of budgets across programmes of care where possible.

**Monitoring**

43. Once established, the ICU will provide regular reports to the Executive board for the Unit.

**Process for Implementation**

44. The ICU will be set up as a transitional unit but over time it is anticipated that it will be become increasingly integrated and efficiencies achieved as posts and functions are more systematically reviewed and integrated commissioning opportunities realised.

**Signatories**

Paula Swann (Chief Officer, Croydon CCG)

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Hannah Miller (Executive Director DASHH / Deputy Chief Executive, Croydon Council

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Paul Greenhalgh (Executive Director CFL, Croydon Council)

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Mike Robinson (Director of Public Health for London Borough of Croydon)

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