Integrated Strategic Commissioning

Inquiry Panel Evidence

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Reforming the system

Commissioning and providing services in the same way, for our changing population needs will continue to lead to services that are financially unsustainable with no guarantee that quality and safety will improve.

The approach needs to change and working together as a system through the development of an Accountable Care System appears to be the best model to integrate and transform health and social care systems.

Using a **one strategy, one budget and one plan** approach the aim would be to co-ordinate the planning and delivery of health and care services, creating a simpler system that:

- Puts the person first and not the organisations
- Better co-ordinates services and enables increased provision of integrated care provided as close to home as possible
- Joins up services with single pathway management of the entire patient experience to reduce duplication of services, simplify access and avoid multiple hand-offs between care settings and providers
- Builds a sustainable workforce, particularly in Primary Care, sharing development and training to better deploy and develop our staff across the system
### Integrated Strategic Commissioning Responsibilities

**ISC - Areas of Responsibility**

<table>
<thead>
<tr>
<th>Responsibility</th>
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<tbody>
<tr>
<td>Establish needs of the population and set out the strategic commissioning vision</td>
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<td>Identify commissioning priorities to meet the needs of the population</td>
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<td>Develop a place based strategy and specify the outcomes the provider system should deliver</td>
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<td>Establish financial envelope for providers, understanding and shaping market conditions</td>
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<td>Commission / procure new service models in compliance with NHS Constitution and Care Act - retaining accountability for securing quality, delivering value and operating within financial envelope</td>
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<td>Intervene in the event of ACP failure</td>
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## Shared Areas of Responsibility

<table>
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<tr>
<th>Description</th>
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<tbody>
<tr>
<td>Establish principles for care including referral / eligibility thresholds for health and care services, treatments and procedures</td>
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<th>Description</th>
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<td>Public involvement and consultation duties</td>
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<tr>
<td>National regulators – upward performance management reporting and assurance, local interpretation of national policy and guidance</td>
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| Monitor / manage performance and plans – activity, quality and finance  
Including oversight of system pathway proposals, financial information and risk mitigation |
Background to Option Scoring

As part of Shaping Our Future an Integrated Strategic Commissioning Steering group has recently been established. This group is made up of representatives from Cornwall Council, Isles of Scilly Council, NHS Kernow Clinical Commissioning Group & NHS England.

The project steering group members are overseeing the potential development of a shadow strategic commissioning function providing advice, assurance and making recommendations to the relevant decision-making bodies.

As part of the groups responsibilities some of the members have undertaken a desk top exercise scoring the 6 options utilising the assessment criteria

The option scoring from the group does not reflect the policy position of any of the respective organisations and is to support the debate within the statutory organisations.
Parameters set by Cabinet

The options were also reviewed by Council Officers in light of the parameters for integrated care arrangements set out by Cabinet in July 2017:

• Whole systems approach – the new arrangements must support greater levels of integration around the needs of Cornwall residents which is measurable and tested by users and carers.

• Mutuality – the new arrangements should not be perceived as a ‘takeover’ by any one part of the system. The design of the new arrangements should promote mutual accountability for the achievement of improved outcomes.

• Accountability – Elected Members of Cornwall Council remain accountable for Children and Adult Services. Any new arrangements must clearly set out how this accountability will be discharged through formal legal partnership agreements and clear schemes of delegation and must not dilute local democratic leadership of these functions.

• Accountability - the statutory role of Director of Adult Social Services must remain accountable for the delivery of Council functions to the Local Authority and for professional standards.
• Financial – the new arrangements must be able to support the delivery of the Council’s Medium Financial Strategy with clear accountability for the achievement of savings plans underpinned by clear risk management arrangements.

• Financial – that responsibility for historical deficits remain with the originating organisation. There can be no pooling of deficits.

• Financial – budgets will continue to be set for the Adults element of the ACS through the Council’s MTFS process.

• Performance - The new arrangements must be able to support the delivery of the Council’s performance priorities, Transforming Adult Social Care – The Cornwall Offer, with key performance indicators being prioritised for service improvement within any new delivery mechanism.

• Regulation – the new arrangements should have the support of the key regulators for health and social care services – CQC, NHS England and NHS Improvement.

• Staffing – the new arrangements should have the confidence and support of the staff transferring into new ways of working.
CCG Principles

Where possible the options were also reviewed by CCG colleagues in light of the principles for Shaping and Determining Local Responses to the NHS England Document “Next Steps on the Five Year Forward View” as set out by the Governing Body in May 2017:

The CCG will assess capability to deliver in three areas:

- Quality – capability to drive improvement
- Finance – capability to deliver financial balance sustainably
- Supporting primary care – working in pursuit of delivering care in the most clinically appropriate place

Emerging functions and forms will need to be well led and governed:

- Our Governing Body will need to contribute to and agree any major system reform proposals in line with our current statutory responsibilities
- The leadership of emerging functions and forms needs to be properly appointed and publicly accountable
- The change in model of care (function) and supporting organisations (form) needs to be clinically and professionally led
Long-list of options considered

| Option 1 | Do nothing option – commissioning arrangements remain separate, split between the two organisations with separate decision-making, except where joint commissioning arrangements already exist |
| Option 2 | Greater use of existing funding alignment arrangements, such as Section 75/Better Care Fund with organisations retaining their own budgets and accountabilities |
| Option 3 | The CCG acts as lead strategic commissioner for all health, social care and public health commissioning on behalf of system |
| Option 4 | The Local Authority as lead strategic commissioner for all health, social care and public health commissioning on behalf of system |
| Option 5 | The Local Authority acts as lead strategic commissioner for Children and Young Peoples services on behalf of system. The CCG acts as lead strategic commissioner for Adult Services on behalf of system |
| Option 6 | Strategic commissioning of health, social care and public health services is undertaken through a new vehicle such as a Joint Health and Care Committee on behalf of system. |

Commissioning with Devon was initially considered but not taken forward through the assessment as there was little / no appetite from Devon at this time as they are working towards Devon-wide strategic commissioning and due to the focus on place based commissioning for health and care the option was not supported by NHS England
Assessment Criteria

1. Achievement of outcomes set out by the system through the Sustainability and Transformation Plan for CIOS
   - Commission for improved population health and wellbeing outcomes
   - Reduce health and social inequalities
   - Develop well-co-ordinated and seamless care
   - Support individual and communities to take responsibilities for the own health and well-being

2. Achievement of straightforward and acceptable governance under current legislation
   - Provide clear and strong leadership to the new Accountable Care System
   - Enable local democratic and clinical engagement and accountability
   - Commission for a whole population using a capitated outcome based contract

3. Achievement of financial advantages for the public purse both through more effective strategic commissioning and cost of delivering the new commissioning model
   - Make best use of the Cornwall £
   - Minimise costs associated with organisational restructuring
   - Achieve management efficiencies
   - Make best use of VAT regulations
Assessment Criteria (contd.)

4. Making the most effective use of the workforce skills and experience in CIOS
   – Provide one strong and robust commissioning and contract management function
   – Create an environment of collaboration between commissioners and providers
   – Develop excellent commissioning skills and expertise across the system

5. Deliver improved quality across the health and care system
   – Manage a system-wide view of quality, access and performance
   – Support ISC in holding providers to account for delivery of quality improvements
### Option Scoring Summary

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<tr>
<th>Rank</th>
<th>Option</th>
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<tr>
<td>1</td>
<td>6 - Strategic commissioning of health and social care through a new commissioning vehicle</td>
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<td>2</td>
<td>4 - Cornwall Council as lead strategic commissioner</td>
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<tr>
<td>3</td>
<td>3 - CCG as lead strategic commissioner</td>
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<tr>
<td>4</td>
<td>2 - Greater use of existing funding alignment arrangements</td>
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<tr>
<td>5</td>
<td>5 - Kernow CCG as lead strategic commissioner for adults and Cornwall Council as lead strategic commissioner for children and young people</td>
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<tr>
<td>6</td>
<td>1 - Do nothing, retain existing strategic commissioning arrangements</td>
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Option 1 – Scoring Summary

• This is no change from the current commissioning arrangements, with a system that is underperforming and has financial challenges. Unless we commission differently outcomes are unlikely to improve.

• Lack of strong commissioning function can result in the system being driven by providers.

• The option does not make best use of the different commissioning skills and expertise across the workforce and it is unlikely that the relationship between commissioners will improve as this perpetuates the organisational silos.

• There is a reduced ability to manage efficiencies and risk of increased management overhead through separation of strategic and tactical commissioning across the LA and CCG.

• This option does not have a forum for collaborative decision making in place, requiring the same decisions to be taken to separate boards and does not bring together local democratic control and clinical leadership

• There would not be a whole system, whole population approach to health and wellbeing improvement which risks the failure of system to embed prevention/early intervention.

• Current organisational silos will not be broken down, further cost shunting likely as funding pressures increase
Option 6 – Scoring Summary

• This option provides the opportunity to strengthen the commissioning function by bringing together democratic control and clinical leadership, removing silo working, duplication and cost shunting.

• The statutory commissioning organisations would retain their respective accountabilities but there would be clear delegated responsibility and accountability for the integrated health and care budget.

• Requires shared leadership across a range of partners and significant restructuring and development of the HWBs.

• The single pooled budget and function provides increased potential for single contracts, provides a whole system view and could lead to more of whole system, whole population approach to health and wellbeing improvement.

• Better for information sharing, whole system view and greater ability to influence quality.

• There are financial advantages of working as a single team providing options for greater efficiency. Some additional goods / services becoming VAT exempt

• This option could involve extensive organisational change, however, it could be an evolutionary process to prevent complete upheaval of existing organisations in one go.
Option 4 – Scoring Summary

• In this option there would be a single and unambiguous local body with clear responsibility and accountability for the entire integrated budget, providing a whole system view and greater ability to influence quality.

• A lead commissioner model could lead to more of whole system, whole population approach to health and wellbeing improvement.

• Potential to achieve better co-ordination of health and care services through stronger, simplified commissioning.

• Loss of clinical leadership into commissioning decisions with Council being the lead organisation would need to be addressed.

• There are financial advantages of working as a single team providing options for greater efficiency and Cornwall Council being the lead organisation would lead to some financial advantages, with some additional goods/services becoming VAT exempt.

• TUPE implications
Option 3 – Scoring Summary

• In this option there would be a single and unambiguous local body with clear responsibility and accountability for the entire integrated health and care budget, providing a whole system view and greater ability to influence quality.

• A lead commissioner model could lead to more of whole system, whole population approach to health and wellbeing improvement, however, some commissioning functions would need to remain within the Councils.

• Potential to achieve better co-ordination of health and care services through stronger, simplified commissioning.

• Loss of democratic control with CCG being the lead organisation would need to be addressed.

• There are financial advantages of working as a single team providing options for greater efficiency. However, there would be the loss of some VAT efficiencies.

• TUPE implications
Option 2 – Scoring Summary

• This option requires no significant changes to current structures. Commissioners enter into new or expanded Section 75 agreements to pool budgets covering a wider range of services and more joint commissioning posts could be established to support this.

• This option does not have a forum for collaborative decision making in place, requiring the same decisions to be taken to separate boards and does not bring together local democratic control and clinical leadership.

• There would not be a whole system, whole population approach to health and wellbeing improvement which risks the failure of system to embed prevention/early intervention.

• There are benefits in bringing funding streams together and commissioning as one entity, which could avoid duplication. However, the organisational silo working will not be broken down and could cause further cost shunting likely as funding pressures increase.

• While there are already examples of lead commissioner arrangements used between the CCGs and local authority. This option is arguably more suited to commissioning of specific services rather than complete delegated authority for statutory duties.

• No change in holding providers to account.
Option 5 – Scoring Summary

- This option makes good use of the skills and knowledge of the existing workforce and would require little organisation disruption; however, it poses a significant risk of detaching children and adults services, thereby not achieving the advantages that come about through a whole population approach or capitated outcomes-based contract.

- This option could significantly hinder the smooth transition between children and adults services.

- This option would still require collaboration across the CC and CCG and, therefore, does not take the system any closer to commissioning for Cornwall as a whole.

- There is no clear change in value for Cornwall, as there are no clear financial efficiencies with this option. It provides no clarity or improvement for governance. No improvement in use of skills and resources.

- TUPE implications
Decision making timeline

1. Options appraisal currently underway

2. Inquiry panel to make recommendation around support for preferred option to Health and Adult Social Care Overview and Scrutiny Committee

3. Outline business case for preferred option to go to cabinet on 28\textsuperscript{th} March seeking:
   - In principle support for the approach and preferred option
   - A mandate to start working in shadow form to test, review and refine the model with a fully worked up business case coming back to the September Cabinet for decision

\textit{NB Cornwall Council is only one of the decision making parties so there are similar processes being followed for each of the commissioning organisations}