

Committees	Dated:
Health and Social Care Scrutiny – For Information Community and Children’s Services – For Decision Health and Wellbeing Board – For Information Policy and Resources – For Decision	1 November 2016 18 November 2016 25 November 2016 15 December 2016
Subject: Integrated Commissioning for Health and Social Care	Public
Report of: Director of Community and Children’s Services	For Decision
Report author: Ellie Ward, Community and Children’s Services	

Summary

The NHS is facing growing financial and service pressures at a time of rising demand. NHS England published a five-year plan to address some of these challenges and encourage health and social care organisations to work more closely together to address them.

Local areas are required to produce Sustainability and Transformation Plans (STPs) that set out how organisations will work together at a local level to meet the challenges set out in the plan. This includes looking at transforming services and using resources differently. Although local authorities are part of the plans, their budgets are not included in the overall budget total for STPs. However, some of the service changes proposed through STPs could have an impact on adult social care services and their funding, for example an increased focus on preventative services or providing more care based in the community rather than in hospitals.

The City of London Corporation is part of the North East London STP, which includes eight local authorities, seven Clinical Commissioning Groups (CCGs) and three acute hospital providers.

London Borough of Hackney and City and Hackney CCG had already proposed a devolution pilot, which is now reflected in the STP. The pilot is about exploring the delegation of powers to a local level relating to estates, licensing powers to support public health and prevention and the development of models for integrated commissioning.

London Borough of Hackney is exploring the development of an integrated commissioning model to better align work across local commissioners – CCG, social care and public health – and promote joint planning to improve outcomes. If this

proceeds, a similar model of integrated commissioning will need to be developed for the City of London Corporation.

This would be built upon a pooled budget of funding from the CCG and the City of London Corporation, governed by an Integrated Commissioning Board and bound by a legal agreement. A steering group across the CCG, the City of London Corporation and London Borough of Hackney has been established to explore what the operational models for this might look like.

This paper sets out an analysis of the opportunities and risks of the proposed integrated commissioning model and seeks Members' agreement to explore development of this model for the City of London Corporation, with further detail and legal implications to follow in a future report.

Recommendations

Members are asked to agree to:

- explore development of a single integrated health and social care commissioning model for the City of London with City and Hackney CCG, subject to further detail and due diligence
- explore entering into a pooled budget with City and Hackney CCG
- receive a further, more detailed report and make a final decision on the proposed arrangements in early 2017.

Main Report

Background

Health and social care services in the City of London

1. Adult and children's social care services are provided and commissioned by the City of London Corporation and are mainly based on resident population. Public health services are partly commissioned by the City of London Corporation and partly in partnership with London Borough of Hackney. While most public health services are based on resident population, some are also commissioned for City workers.
2. There is one GP practice in the City of London – The Neaman Practice, which is part of City and Hackney Clinical Commissioning Group (CCG). The majority of City residents are registered with this practice, but approximately 25 per cent of residents on the eastern side of the City are registered with practices in Tower Hamlets, part of Tower Hamlets CCG.
3. CCGs commission acute and secondary care health services for the people registered at their GP practices. This includes elective hospital care, community health services and rehabilitation, maternity and mental health services.

4. City and Hackney CCG commissions Homerton University Hospital to provide acute and community services to its registered population. It also commissions acute care for City patients registered at The Neaman Practice from University College London Hospitals (UCLH) and Barts Health. Enhanced primary care services are commissioned from the City & Hackney GP Confederation. This includes wound and dressing care, phlebotomy, management of people with long-term conditions, identification of and support for vulnerable families and a proactive home visiting service for frail elders. The Neaman Practice is a member of the GP Confederation.
5. The integration of health and social care services is a well-established principle as it provides a better patient and service user experience, more effective services and can contribute to financial savings. The City of London Corporation already works in an integrated way across the health and social care system, but there are limitations in terms of organisational boundaries and legal frameworks.
6. The number of older people in the City of London is set to increase in the coming years. Greater London Authority (GLA) population projections show that over the next five years the older population (over 65s) is set to increase by between 4 and 5 per cent each year from 1,530 in 2017 to 1,839 in 2021. This is likely to create increased demand for health and social care services in the future.

Health and social care in context

7. The NHS is facing growing financial and service pressures at a time of rising demand. The NHS *Five Year Forward View*, published in October 2014, is set in this context.
8. It sets out a new shared vision for the future of the NHS, emphasising the need to move to place-based systems of care where organisations collaborate and use their resources collectively to meet the needs of the local population in the most appropriate and effective way. It also explores the challenges to be addressed in the NHS around finance and efficiency, improving the health of the population and providing quality care.

Sustainability and Transformation Plans

9. In December 2015, NHS England required local areas to produce five-year Sustainability and Transformation Plans (STPs) to outline how local areas proposed to meet the challenges set out in the *Five Year Forward View*.
10. A total of 44 areas were identified as geographical 'footprints' on which the STPs are being developed, with an average population size of 1.2 million. The City of London Corporation is part of the North East London STP. This includes eight local authorities, seven CCGs and three acute hospital trusts (Homerton University Hospital NHS Foundation Trust, Barts Health NHS Trust and Barking, Havering and Redbridge University Hospitals NHS Trust).
11. Although Homerton University Hospital and City and Hackney CCG have been in a more robust financial position, Barts Health and Barking, Havering and

Redbridge CCGs are experiencing significant financial issues this year and going forward.

12. Latest planning guidance from NHS England states that all STP footprints will have a single 'system' budget for their areas made up of the operational budgets for each organisation in the footprint. The guidance says that funding can be moved between organisations by agreement provided the overall budget total does not change. This poses a potential risk where funding from local organisations may have to be used to support other organisations in the system that are experiencing financial difficulties.
13. Local authority and partnership support has to be evidenced in the STP. Although local government social care budgets are not included in the STP, it should be noted that the service transformation proposed in the STP could have an impact on social care and its funding. This includes an increased focus on preventative services or a greater move towards more care based in the community rather than in hospitals.

Locality plan

14. STPs are high-level plans looking at which services can be best organised and delivered across the system in North East London rather than including all local issues.
15. CCGs and their partner local authorities are developing two to five-year plans to address local issues highlighted in local Health and Wellbeing Strategies, as well as contributing to delivering the wider STP ambitions. This allows City of London specific priorities around social isolation, the health of workers and cross-boundary issues to be reflected in the locality plan.
16. In order to develop the locality plan, the CCG has developed a joint planning programme with local authority social care commissioners and public health commissioners. This explores where there could be more collaboration and alignment of approaches and contracts to improve outcomes for patients and service users and deliver the STP ambitions.

Devolution pilot and integrated commissioning

17. Separately to the STP, the London Borough of Hackney and City and Hackney CCG, along with local health providers, were approved as a devolution pilot, allowing them to explore the delegation of powers to a local level to better support the achievement of plans. This aims to accelerate the transformation of the local health and care system in Hackney so that it is financially and clinically sustainable and provides improvements in health, care and wellbeing outcomes. Because the CCG covers both Hackney and the City, the City of London Corporation and the CCG have been working closely to ensure that the pilot also brings advantages and improved outcomes to the City.
18. The devolution proposal committed to exploring joint commissioning between the CCG and the local authority social care and public health functions. A

commitment has been made to explore this for the London Borough of Hackney. As the City of London Corporation is not part of the devolution pilot, the CCG is keen to establish a similar arrangement with the City of London Corporation to mirror the arrangements in Hackney to ensure an equitable approach across the CCG area.

19. The joining together of commissioning between health and social care is known as integrated commissioning. It aims to remove organisational barriers, develop more joined up plans and commission integrated services that benefit patients and service users. It supports an approach of moving to contracting for outcomes and commissioning providers to work together across organisational boundaries. Many organisations in health and social care are already working in this way.

Current Position

Proposed integrated commissioning model

20. City and Hackney CCG has proposed an integrated commissioning model for the City of London built on the pooling of health, social care and public health funding into one budget that is consistent with the Hackney devolution pilot. The detailed scope of the funding and governance arrangements to be included in the model would need to be agreed by Members at a later date. The CCG is keen to have this model in operation by April 2017, but the City of London Corporation can agree phasing of the model in a way that works best for the Corporation.
21. It is proposed that there would be separate pooled budgets between City and Hackney CCG and the London Borough of Hackney and between City and Hackney CCG and the City of London Corporation.
22. The pooled budgets would be legally agreed through a Section 75 (s75) agreement (NHS Bodies and Local Authorities Partnership Regulations 2000), which allows health and local authority funding to be pooled. In effect, this ring-fences the funding for the services set out in the agreement.
23. It is currently proposed that an Integrated Commissioning Board would be set up between the City of London Corporation and the CCG (the London Borough of Hackney would have its own board) to make decisions on the use of the pooled budget. The board would include City of London Corporation Members and CCG Board Members. Each year, the City of London Corporation and the CCG would agree the make-up of the pooled budget and what decision-making would be delegated to the Integrated Commissioning Board. To maximise improvements for local people and better support the alignment of service delivery and contracting, the Integrated Commissioning Board could also provide a steer on all health and social services planning not otherwise included in the pooled budget.
24. A steering group has been established with the CCG to explore what a model could look like and how any risks would be mitigated should a decision be made to proceed with the model.

25. The steering group is committed to a gradual development of the proposal rather than a “big bang” on 1 April 2017 to ensure stability and minimise risk. The group has also agreed to define monthly gateways over the rest of 2016/17 to help maintain momentum and allow partners to confirm that they remain comfortable in proceeding with the development of the model.
26. At this stage the integrated commissioning arrangement would only cover NHS services for patients registered at The Neaman Practice. However, discussions with other CCGs about joining the pooling arrangements could occur in 2017/18 once a model is in place.
27. This paper seeks agreement from Members to explore the development of this model for the City of London Corporation. Further detail on governance and the financial framework for the model would be brought back to Members at a later date.

Options

28. The two main options are to enter into a single integrated commissioning model with City and Hackney CCG or not. An analysis of the two approaches is set out below.

Entering into an integrated commissioning model

29. This model offers a number of potential opportunities for the City of London Corporation. It would provide:
 - a City of London-based model responsive to City of London needs
 - a dedicated focus on City residents and their needs with an identified health budget separate from the budget for Hackney
 - more integrated services for most City of London residents, reducing current complexities
 - governance arrangements that give the City of London Corporation equal representation with City and Hackney CCG
 - a more direct line between the ambitions of the Health and Wellbeing Board and how these are delivered locally
 - separate pooled budgets that would provide protection from City funds being lost in a larger pooled budget across the City and Hackney or being drawn into broader financial issues across North East London. Integrated contracting and procurement models should result in more efficient delivery and offer the opportunity of longer-term cost savings
 - more aligned plans across the CCG and City of London Corporation to allow the two organisations to make the best use of their budgets and powers to secure improved outcomes and more joined up services.
30. There are also some potential risks associated with this model:
 - The integrated budget would only cover residents registered with The Neaman Practice (part of City and Hackney CCG). The existing issue of linking up with Tower Hamlets services and other providers would remain.

However, discussions could take place about extending the scheme across other CCGs once any arrangements had been set up.

- The issue of City workers would need to be addressed. The City of London Corporation has public health responsibilities for this group but City and Hackney CCG does not.
- There would be a potential loss of direct control over some of our social care and public health budgets, although the scheme of delegation for the Integrated Commissioning Board would address this possibility.
- The CCG funding within the pooled budget would be higher than that from the City of London Corporation.
- Appropriate disaggregation of funding and savings made from the CCG for City residents would be necessary. The CCG is keen to ensure a clear City budget but recognises it will be difficult to get this right on day one given the need to disaggregate existing contracts. Therefore, agreement would be required that the pooled budget could be reviewed in the light of experience.
- The impact of managing and resourcing additional governance structures would need to be addressed.

Some services would still need to be jointly commissioned with the London Borough of Hackney and governance arrangements would need to be put in place to oversee this.

Not entering into an integrated commissioning model

31. Not entering into an integrated commissioning model would ensure that the City of London Corporation keeps sole control of its own social care and public health budgets but there are risks with this approach:

- Wider reconfiguration of health services in North East London could impact on City residents with less opportunity to influence change. An integrated commissioning model could mitigate against this risk.
- No further integration of services and continued complexity of offer for all current City residents and service users.
- Hackney devolution likely to continue and alternative arrangements for the City put in place unilaterally.
- Loss of focus on the City of London Corporation as a stand-alone entity and a missed opportunity to plan together for the City.
- Reputational risk if the City of London Corporation is not seen as supporting devolution initiatives in line with good practice.
- Potential loss of a local commissioning focus if health and social care integration is focused on the wider STP footprint.
- Exclusion from more innovative ways of commissioning and delivering services.

Proposals

32. This report recommends Members give approval to explore development of a single integrated commissioning model with City and Hackney CCG. This approval will be subject to further discussion and agreement about the details of the agreement.

33. Entering into a single integrated commissioning model offers the City of London Corporation the opportunity to:

- commission more integrated services to residents, ensuring a better patient experience
- have a bespoke City of London-focused commissioning model for health and social care
- be in line with current best practice and direction of travel.

34. Although there are potential risks for the City of London Corporation in adopting this model, further discussions about the governance arrangements and financial framework will provide the opportunity to mitigate the risks in line with the proposed gateway approach to developing the model.

35. There has been some successful joint commissioning between the City of London Corporation and Hackney previously. This latest project represents an evolution and, subject to joint governance being managed, the joined up service should increase efficiency.

Corporate & Strategic Implications

36. KPP3 of the Corporate Plan focuses on engaging with London and national government on key issues of concern to our communities such as transport, housing and public health. This includes the NHS and public health reforms.

37. Health and social care integration is an action of the Department of Community and Children's Services Business Plan.

38. Health and social care integration is a priority in the Joint Health and Wellbeing Strategy.

Implications

Financial Implications

39. Entering into any kind of pooled budget arrangement exposes the City of London Corporation to a level of inherent financial risk that would otherwise not exist, particularly around City funds not being used for the purposes and outcomes desired by the City or the City becoming liable for the financial obligations of others. To mitigate these risks, the City of London Corporation would enter into a formal s75 agreement and supporting financial framework. These would clearly set out the scope of the pooled budget, ground rules for its use and treatment of overspends, as well as address how conflicts in budget-setting priorities would be settled.

40. The Integrated Commissioning Board would only be able to operate within the scheme of delegation agreed by the City of London Corporation and the CCG as both would retain ultimate statutory responsibilities. The budget and approach would need to be negotiated and agreed each year to reflect changing

circumstances. Ensuring that the proper governance and reporting arrangements are also in place will be a key consideration.

41. If the City of London Corporation were to become the host partner for the finances of the whole pooled budget, it would potentially be exposed to a further level of risk in terms of becoming accountable for a much larger sum of funds from the CCG than the amount currently invested. The VAT implications for the City of London Corporation would also need to be assessed. In addition, there would be a significant resourcing issue with regard to servicing the monitoring and reporting of such a pooled budget.
42. This will be explored by the steering group. The CCG has committed to provide additional funding to the City of London Corporation to support the finance function in such an eventuality.

Legal Implications

43. This report seeks Members' agreement at this stage to explore the development of an integrated commissioning model between the City of London Corporation and City and Hackney CCG. Once exploration has taken place and further information has been gathered from the parties involved, a second report will be presented to Members. At that stage, it will be possible to provide full detail on any legal implications involved.

Conclusion

44. The context for commissioning health and social care services is changing in response to increasing financial pressures and rising demand.
45. City and Hackney CCG has proposed to develop an integrated health and social care commissioning model with the City of London Corporation. This would bring together health and local authority funding from adult social care and public health and jointly deliver locally agreed priorities, which would be set out in a legal agreement.
46. This paper recommends to Members that the City of London Corporation agree to explore the development of an integrated commissioning model with City and Hackney CCG. Although there are some potential risks, there are also a number of opportunities. Further discussions around governance and the scope of local authority funding contributed to the pooled budget would aim to mitigate some of these risks.

Appendices

None

Background Papers

None

Ellie Ward

Integration Programme Manager

T: 020 7332 1535

E: ellie.ward@cityoflondon.gov.uk