

Committee	Dated:
Community and Children's Services	13 April 2018
Subject: Integration of Continuing Health Care and Adult Social Care Budgets	Public
Report of: Andrew Carter, Director of Community and Children's Services	For Decision
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Summary

The City of London Corporation entered into integrated commissioning arrangements with City and Hackney Clinical Commissioning Group to commission together across health, public health and social care. These arrangements began in April 2017.

The original proposals were built on a pooled budget of all funding across these three areas. However, at the direction of NHS England, the partners have agreed an incremental approach to the pooling of budgets.

This report seeks Member agreement to this new approach and sets out a proposal for the pooling of budgets on a specific area of work - Continuing Health Care Funding and adult social care funding for residential and home care packages. The pooling of budgets will be accompanied by changes to supporting processes to improve efficiency. To progress the approach, Members are further asked to delegate the agreement of detailed financial arrangements for 2018/19 to the Chamberlain.

Recommendation

Members are asked to:

- Note and agree the new approach to pooling of budgets based on smaller specific projects rather than one large pooled budget
- Agree the proposal to pool funding for Continuing Health Care and adult social care packages and to establish a new single process for commissioning and funding these care packages
- Agree delegated authority to the Chamberlain to finalise and agree the detailed financial arrangements for 2018/19 as part of the agreement of 2018/19 budgets subject to normal approval processes

Main Report

Background

1. Members agreed to enter into integrated commissioning arrangements with City and Hackney Clinical Commissioning Group (CCG) to commission services together across health, social care and public health. These arrangements began in April 2017 and are part of a local model that includes the London Borough of Hackney.
2. The integrated commissioning arrangements are set within a wider national policy context of health and social care reform and integration. This includes the implementation of 44 Sustainability and Transformation Partnerships, of which one - the seven borough East London Health and Care Partnership (ELHCP) – includes the City Corporation. The City and Hackney arrangements are recognised by the ELHCP as a local model within its footprint. For the City Corporation, the success of this local model, and our collaboration with Hackney, is important in making sure that City of London needs are recognised, considered and met.
3. The vision for the integrated commissioning arrangements is to work as a single system, improving health and wellbeing outcomes across City and Hackney and making best use of resources given increasing demand and decreasing funding.
4. The original proposal included the pooling of all relevant budgets across these three areas into one budget. NHS England indicated that they would prefer to see smaller pooled budgets relating to specific projects or areas of work rather than one large pooled budget.
5. To deliver integrated commissioning, an Integrated Commissioning Board (ICB) consisting of Members of the City of London Corporation (as a sub-committee of the Community and Children's Services Committee), along with Members of the Clinical Commissioning Group Governing Body has been established. This is supported by a Transformation Board, which is an officer level board with representatives from Hackney, the City Corporation, the CCG and providers.
6. There are four workstreams which are the delivery arm of integrated commissioning - planned care, unplanned care, prevention and children, young people and maternity services. The proposal to pool funding for Continuing Health Care (CHC) and adult social care packages comes forward from the planned care workstream.
7. The legal mechanism for pooling funding between the NHS and local authorities is known as a Section 75 (S75) agreement. There is already a S75 agreement in place between the City of London Corporation and City and Hackney CCG which pools the budgets for the Better Care Fund (BCF) with remaining budgets aligned but not pooled. Any additional pooled funding will be transferred from the aligned element of this S75 agreement by way of a Deed of Variation being entered into between the parties.

Current Position

8. CHC provides residential care or care within the home for adults aged 18 or over which is arranged and funded solely by the NHS. In order to receive CHC funding individuals have to be assessed by CCGs according to a legally prescribed decision making process to determine whether the individual has a 'primary health need'. CHC is not means tested.
9. Adult Social Care services also include home care and residential care to support individuals to maintain their independence. Eligibility for adult social care services is determined by a national eligibility criteria and is means tested.
10. Across the health and social care system, partners have experienced financial pressures in these areas for a number of reasons including population growth, increased demand for services and increasing costs of provision.
11. CHC and adult social care services are funded and administered separately and this has raised a number of issues:
 - There is often lengthy dialogue between health and social care about responsibility for meeting the individual's needs which causes delays in decision making and service provision. There are also cases where joint funding can be used to meet an individual's need and again this can take time to agree
 - The two organisations use different mechanisms to assess need and eligibility for funding which can result in individuals being assessed twice, especially where joint funding is required
 - Both organisations are using similar resources to find services and provision to meet the need
 - In some cases both organisations will be using the same providers but will be paying different rates for this
 - Commissioners are competing against each other within the same market
12. In order to address these issues, it is proposed to pool the budgets for CHC and for adult social care packages and to establish a new commissioning and funding process around it.
13. Pooling budgets means that the budgets become part of an overall partnership fund rather than owned by individual entities such as the CCG or the City Corporation. Under these proposals there would be separate pools for Hackney and the CCG and for the City of London Corporation and the CCG. Currently, the City of London Corporation budgets for social care packages are around £3m. The total CCG budget across City and Hackney is around £11m. In any pooled budget for the City of London Corporation, a proportion of this CHC budget would be allocated.
14. This proposal was endorsed by the ICB in February 2018 but Members are asked to agree the new approach to pooling and this specific proposal.

15. The benefits of adopting this approach include:

- Better patient experience through a single consistent commissioning and funding process
- A joint brokerage function (brokerage is the process of identifying an appropriate provider to meet the care and support needs of an individual and then negotiating and agreeing the cost of care)
- Greater efficiency and better utilisation of resources with increased flexibility to share funding of care packages across care groups particularly to prevent an escalation of care needs
- Greater market influence, control and development opportunities
- Improved planning and commissioning of care
- Better cost control
- Economy of scale
- Reduced duplication of effort
- Cultural and organisational change

Options

16. The business case for the proposal sets out three main options as follows:

- Do nothing
- Pool the budgets and implement a new commissioning and funding process to maximise the benefits of the new service model
- Pool the budgets but not create a new commissioning and funding process

Do nothing

17. A do nothing option would result in the continuation of some of the issues raised in para 11 above, limited impact on other outcomes in the health and social care system such as hospital discharge and increasing costs of providing care packages over time. It also means that change could be imposed upon the City of London Corporation with limited influence.

Pool the budgets and implement a new commissioning and funding process to maximise the benefits of the new service model

18. In order to maximise the benefit of a pooled budget for CHC and adult social care packages it is proposed to set up a new service model to manage the pooled budget including the following:

- A joint process for agreeing care packages. Decisions would be multi-disciplinary and have independent clinical/practitioner advice to ensure transparency regarding decision making. A regular audit of decision making would be embedded
- Joint funding in appropriate cases. Various tools would be considered for use which will help define health need within care packages
- Joint brokerage to source provision and services to meet need
- Joint commissioning, procurement and spot purchasing

- Integrated health and social care assessment
- Agreed risk share model that safeguards as far as possible the City's financial exposure

19. Adopting this approach would deliver the following benefits:

- Services would be managed in an integrated way and would be focused on joint delivery rather than the current divisions between health and social care. As a result, efficiency in the process would be improved as staff time would not be taken up in managing conflicting processes
- Greater emphasis will be placed on prevention through timely and proactive reviews of care in order to prevent deterioration in an individual's condition before additional support can be accessed
- Services will be able to respond more promptly to the needs of other parts of the system for example, facilitating discharge from hospital or avoiding hospital admission

Pool the budgets but not create a new commissioning and funding process

20. Pooling the budgets without the associated service model would not realise the benefits noted above.

Proposals

21. The ICB endorsed the second model as the preferred option and Members are asked to agree this.

22. For the City of London Corporation, this would mean the following:

- Pooling our adult social care packages with the budget for CHC (a proportion of the total CHC budget) through an existing s75 arrangement
- Working with the CCG to develop a single approach that works for both parties
- Considering how commissioning staff and social workers would integrate into the new approach

23. Pooling budgets means that the budgets become part of an overall partnership fund rather than owned by individual entities such as the CCG or the City. The allocation of any potential overspend on the partnership pooled budget would be governed by the risk share element of the s75 partnership agreement between the CCG and the City.

Corporate & Strategic Implications

24. One of the key priorities of the Corporate Plan 2018-2023 is to contribute to a flourishing society with people enjoying good health and wellbeing.

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

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

Implications

Legal implications

27. The Comptroller & City Solicitor has been consulted, and his comments have been duly incorporated into this report

Financial implications

28. 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 will need to enter into a revised risk share arrangement within the existing s75 agreement that clearly sets out the scope of the pooled budget, the ground rules for its use and the treatment and responsibility for overspends, as well as address how conflicts in budget-setting priorities will be settled.

29. Within the terms of the current s75 agreement the City Corporation is responsible for overspends accruing to services it commissions. Members will retain oversight through monthly financial reporting to the ICB. Internal financial management controls will also remain in place within the City Corporation to support oversight and risk management. Future changes to the terms of the s75 will be presented to Members for approval.

30. The ICB is only 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.

Procurement implications

31. The Procurement Team were consulted previously on the proposals for integrated commissioning. The detail of a new single funding and commissioning approach as set out in this paper is to be developed and agreed. Procurement will be involved in these discussions.

32. The Terms of Reference for the Department of Community and Children's Services Category Board are to be updated to reflect the ICB and the S75 Agreement.

Health Implications

33. One of the key objectives of the integrated commissioning arrangements is to improve health and wellbeing outcomes for the residents of the City of London and Hackney.

Equalities Implications

34. An Equalities Impact Assessment was carried out as part of the development of the Business Case and did not identify any negative impacts on any particular protected characteristic under the Equality Act 2010.

Conclusion

35. Further to the agreement to enter into integrated commissioning arrangements and the original proposal to pool all funding across health, public health and social care, a new approach to pooling is now being adopted and Members are asked to note and agree this.
36. In line with this approach, Members are also asked to agree a proposal to pool funding across CHC and adult social care packages and the development of a new commissioning and funding model around it.
37. Funding will be pooled through an existing S75 agreement which will include a new risk sharing agreement.
38. Members are also asked to delegate authority to the Chamberlain to finalise and agree the detailed financial arrangements for this for 2018/19.

Appendices

- None

Background Papers

<http://democracy.cityoflondon.gov.uk/documents/s71405/Integrated%20Commissioning%20Model%20Grand%20Committee%20Report%20FINAL%20AM.pdf>

<http://democracy.cityoflondon.gov.uk/documents/s76006/Integrated%20Commissioning%20-%20FINAL.pdf>

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