DECISION-MAKER:		CABINET		
SUBJECT:		IMPLEMENTATION OF AN INTEGRATED COMMISSIONING UNIT BETWEEN THE SOUTHAMPTON CITY COUNCIL PEOPLE DIRECTORATE AND SOUTHAMPTON CITY CLINICAL COMMISSIONING GROUP		
DATE OF DECISION:		15th OCTOBER 2013		
REPORT OF:		CABINET MEMBER FOR HEALTH AND ADULT SOCIAL CARE		
CONTACT DETAILS				
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STATEMENT OF CONFIDENTIALITY				
None				

BRIEF SUMMARY

The development of an Integrated Commissioning Unit between Southampton City Council and Southampton City Clinical Commissioning Group (CCG) has been identified by both organisations as a key priority to achieve outcome and evidence based commissioning. By pooling capabilities and purchasing power, both organisations can exercise much greater control over what we need, buy, at what price and at the right level of quality. Nationally and locally there is increasing need and demand with reducing resources which means that we cannot continue as we are. The Southampton Joint Commissioning strategy identifies that integrated commissioning is a key enabler for both the Council and CCG:

"Working together to make the best use of our resources to commission sustainable, high quality services which meet the needs of local people now and in the future"

The proposal to develop a joint team that will work towards the delivery of the shared strategy, work plan and outcomes has been consulted on with staff fulfilling a commissioning function across the People Directorate in Southampton City Council and the "city focus" team in the Clinical Commissioning Group. The aim of the remodelling is to develop a structure with appropriately skilled staff who will achieve quality outcomes and efficiency savings through more focussed, integrated work. It is proposed that staff will remain employed by their current employer with their existing terms and conditions but within a single management structure overseen by an Integrated Commissioning Board. Accountability for commissioning decisions will be retained by the Cabinet and CCG Governing Body.

There has been significant support shown for the proposal to develop an integrated approach across the Council and CCG and approval is being sought to progress with the implementation.

RECOMMENDATIONS:

(i) To consider the consultation feedback on the establishment of an Integrated Commissioning Unit

(ii) To approve the establishment of an Integrated Commissioning Unit

(iii) To note that there will be an additional cost to the Council due to the establishment of the Integrated Commissioning Unit of £90,800 from 2014/15 onwards which will be addressed as part of the development of the budget.

(iv) To approve as a last resort a draw from the General Fund Revenue Budget contingency for the in year pressure in 2013/14 which cannot be managed within existing resources or from the savings to be delivered, as set out in paragraph 28.

(v) To delegate authority to the Head of Legal, HR and Democratic Services, following consultation with the Director of People, to agree and execute the Memorandum of Understanding

REASONS FOR REPORT RECOMMENDATIONS

1. Redesigning and commissioning integrated services will improve quality and outcomes and result in more effective use of resources and cost avoidance and as a consequence release savings

2. It has been identified that some investment will be required to attract the skill set needed into some of the more senior posts to ensure the leadership, experience and rigour necessary to achieve the change required at scale and pace.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. A range of approaches were considered including no change to current aligned commissioning or a compromise that would have a shared strategy but continuing with separate commissioning functions. This was rejected as would maintain inconsistencies in commissioning leading to disjointed pathways and provision, duplications and inefficiencies and limited use of outcome based commissioning.

4. Alternative models were considered in developing an Integrated Unit including use of Section 75 agreements with pooled budget that either of the organisations could be the lead for or the development of a Joint Venture company. These would all have supported the benefits of integrated commissioning such as pooling capabilities and purchasing power across the Council and CCG; realigning spend to outcomes required; influencing the market on a grander scale; commissioning more joined-up services so everything “works together and achieving value for money.

5. However the decision was taken to develop the model outlined in this document as this achieves the benefits of integrating commissioning whilst being less disruptive to staff as no TUPE implications, retaining accountability and governance for each organisation and allowing period to trial and evaluate the approach first.

DETAIL (Including consultation carried out)

Background

6. The proposal to develop a joint team that will work towards the delivery of the shared strategy, work plan and outcomes has been consulted on with staff from 26th July until 30th August 2013. Consultation has included staff fulfilling a commissioning function across the People Directorate in Southampton City Council children's services, adult services, housing and public health, as well as the "city focus" team in the Clinical Commissioning Group that includes commissioning for maternity and children's services, mental health, learning disabilities, long term conditions, community services and end of life care.

7. Under the strategic oversight of the Health and Wellbeing Board the Council and Southampton City CCG have established an accountability structure including an Integrated Commissioning Board with Chief Executive and Director representation. The key commissioning priorities that the Council and CCG wish to work on together have been identified and detailed work and relevant project plans support these. Commissioning principles have been agreed by both organisations. The final accountability remains with Cabinet and the CCG Governing body as appropriate. To achieve the implementation of the identified priorities it is proposed that commissioning staff from both organisations work together under one management structure.

8. Approval to commence consultation was sought from Council Management Team, Informal Cabinet and CCG Governing Body. Consultation included a launch event on 26th July, supported by a consultation document, followed by one to one sessions for staff with their line managers, small group sessions as well as the opportunity to send in comments. Unions and Human Resources have been involved throughout the process.

Proposed structure of Integrated Commissioning Unit (ICU)

9. The proposal consulted upon is to align staff to three key areas:

- System redesign to achieve the commissioning priorities for system transformation. Staff will be assessing need, undertaking consultation with stakeholders, redesigning services and pathways, developing and monitoring specifications.
- Quality which will integrate the functions and support a stronger, more consistent approach to expectations and outcomes from providers
- Provider relationships to allow a much more proactive approach to market development and management, build on community assets, work with other commissioners and strong contract management.

10. System redesign workstreams align to the Health and Wellbeing Strategy and are:

- Promoting Prevention and Positive Lives – to enable more people to live healthier, more active and fulfilling lives, protecting the vulnerable;
- Supporting families – to support families to take responsibility for their own outcomes, refocusing investment towards those most in need and early targeted intervention; and
- Integrated Care for Vulnerable People – to prevent or intervene early to avoid, reduce or delay the use of costly specialist services whilst promoting independence, choice and control in the community through integrated risk profiling and person centred planning process and commissioning to achieve the integration of provision.

11. Quality and effective contract management from a quality aspect are key elements to achieving positive outcomes for residents and improvements in core services along with the opportunity to ensure best value and reduced costs. High profile cases nationally and locally, such as Winterbourne, Francis enquiry into Stafford hospital and local serious case reviews, have emphasised the need for this area of work to be well led, co-ordinated and thorough. The staff undertaking this work across the CCG and People Directorate will combine as a team responsible for quality monitoring and reviewing. It will also include the Continuing Health Care function of the CCG.

12. The City Council and CCG need to become an intelligent customer in the market as currently development and management of providers is very variable and we have insufficient quality capacity. There are contracts with differing terms and conditions with inconsistent rates paid and for many it is not possible to consistently demonstrate the outcomes achieved for money invested. To improve this there will be a work stream on Provider Relationships including market development, contract management, community development and joint work with other commissioners such as schools and the Police. To achieve the commissioning priorities identified there is a need to work much more effectively with the voluntary sector and build on community assets. A buyer's team will be developed to undertake a number of functions currently done in separate silos within and across the organisations. This will ensure a significantly improved procurement of placements/packages of care appropriate to meeting the needs of individuals, negotiating prices making best use of market knowledge, collective bargaining and economies of scale. It will ensure robust contracting arrangements are in place for each placement/package with clearly identified expectations and outcomes.

Staff implications

13. The aim of the remodelling is to develop a structure with appropriately skilled staff who will achieve quality outcomes and efficiency savings through more focussed, integrated work. The focus is not on making savings through the establishment of the ICU but that the correctly skilled staff, once working within the ICU, will achieve the savings. The actual staffing numbers show minimal change (3 additional posts) between the current and proposed future

models. It has been identified that will be some investment required to attract the needed skill set into some of the more senior posts to ensure the leadership, experience and rigour necessary to achieve the change required at scale and pace. These leaders will also develop the staff within their teams. The model will be reviewed.

14. The ICU will wherever possible use generic (family) job descriptions by grade so these are as consistent as possible across both the CCG and SCC. The importance is that staff have the competencies, experience, confidence and skills to meet the challenges and to create a new culture. It is proposed that staff will work in a matrix approach with "task teams" to progress key work streams. Staff will work flexibly across and within commissioning topics so relevant expertise is used.

15. Staff in the ICU will remain employed by their current employer with their existing terms and conditions. Grades have been aligned across each organisation on the basis of responsibilities and pay. Job descriptions have all been evaluated by the relevant organisation's Job Evaluation panel and have been available as part of the consultation process. The separate evaluation panels came to the same conclusions about the grading's of the posts.

16. Currently the teams that will make up the ICU are not co-located. However, work is underway to co-locate the SCC staff that will form the ICU. This is being considered as part of the decant of staff from Marland House. CCG staff are based at the CCG headquarters at Oakley Rd. Accommodation solutions are being devised that will allow ICU members to access desks at both SCC and CCG in order to facilitate joint working, some staff may move bases facilitate this. IT solutions are also being explored to facilitate mobile working and to ensure easy communication and access to relevant information across the health and SCC systems.

Feedback on Consultation

17. There has been significant support shown for the proposal to develop an integrated approach across the Council and CCG. A few examples include:

- *"I support the theory and direction of travel as I hope the integrate approach best meets the needs of our population"*
- *"I am very much in favour of working in a more integrated way. I do agree it is the way forward"*
- *"The creation of an integrated commissioning unit sits well with the vision of Southampton as being at the forefront of health and social care services to its citizens"*

However a number of pertinent issues have been raised where staff have sought additional information. These collate around a number of key themes

:**Issue**	**Response**
Further clarity needed on the specifics of the functions of system redesign areas	The work will incorporate all elements of the commissioning cycle including: • Needs assessment • Working towards procurement • Service re-design • Stakeholder involvement • Contribution to contracting oversight
Evidence to support structure	A summary of evidence to support integrated commissioning is outlined in the Southampton Joint Commissioning Strategy. There has also been: • Lots of preparatory work looking at other structures and models across the country. This has included work with Portsmouth integrated unit • Review of national evidence of integrated working • There will be monitoring and evaluation of the model, overseen by Integrated Commissioning Board
Will customers see a difference? Will it improve quality?	• Emphasis on quality, especially the opportunity to combine resources should improve outcomes for customers • Commissioning together should reduce duplication and improve integrated services for users, including focus on personalisation • Increasing local, high quality resources i.e. .through co-ordinated work on Market Development and Community Asset building • Opportunity to reduce risk of safeguarding issues developing through intervention earlier in the process
Business support is missing from the structure	• SCC Business support is being reviewed as part of whole Council transformation work and the outcomes of this will be aligned with CCG Business support for the ICU. Until other proposals are developed teams will continue to access business support as currently provided There is work being led by People Directorate and CCG Business managers to identify business process requirements for the ICU which are being incorporated into a transition plan.

Does the model fit with changes in the City Council and CCG?	• The outcomes of the ICU are based on the Health and Wellbeing Strategy supported by both organisation's and the workplans include the outcomes and priorities for the Council and CCG
Who has been involved in the development of the ICU?	• There has been a project team made up of representatives from across the Council and CCG including housing, children, adults and Public Health working together on this proposal. Procurement, finance, legal and HR colleagues have also been involved. There has been some changeover of representatives but involvement has been consistent. • There have been Away day sessions held with staff to develop the workstream priorities
Why does the new structure appear to be so "top heavy"?	• The ICU has a considerable amount to achieve in relation to outcomes, system change, savings and quality to be maintained. Considerable skills and experience are needed to manage the workload across agencies with strong leadership to achieve at scale and pace. This is a starting point and may alter in the future as expertise is strengthened across the wider team

18. The points raised have been collated into a Frequently Asked Questions document shared with staff, see Appendix A. The revised structure following consultation is shown in Appendix B. There have been minimal changes made to the model as a consequence of the consultation and these have has no impact on the finances

Recommendations following the consultation

19. The strong inter relationship between Public Health and the ICU has been recognised by many throughout the consultation. Detailed discussions between the Director of People and Director of Public Health have led to the proposal that Public Health team should be aligned with the ICU, with Public Health Consultants, and their teams, providing public health advice and expertise to a particular work stream area in the ICU. Priorities and work plans to be agreed between the Public Health consultant and relevant Associate Director for members of the team. Public Health will have a strong influence within the commissioning team, especially the emphasis on prevention and early help and well as providing needs assessment and evidence expertise.

20. Housing commissioning should be included within the model within the Provider relationships team to ensure a strong impact across the whole unit.

21. Further consideration, not as part of this current consultation, should be given to the relationship between the Continuing Health Care team and the evolving Assessment team being developed as part of the People's transformation work.

22. There are some areas of work that have a significant commissioning element where clarity on accountability and functions is still required. It is recognised that the intention is for commissioning from all parts of the People Directorate to be included as part of the ICU.

23. There are some functions carried about by staff identified as part of the unit that may not be a commissioning function. The recommendation is that staff transfer to the ICU with their current responsibilities although future adjustment may be required.

24. Scheme of Delegation need to be revised, including responsibility for placement budgets and relevant public health areas of commissioning.

25. Contract management with a very strong quality focus is vital to achieve a shift towards earlier intervention. The recommendation for elements of Safeguarding in Adults services (SIPs) to move to the Quality team in the ICU has been strongly supported. However the staff will need to be consulted with as part of the overall People Directorate transformation consultation which is working to a later timetable.

RESOURCE IMPLICATIONS

Capital/Revenue

26. Existing staff budgets from across the Council and the CCG will be utilised to fund the newly formed ICU. The total budget required for the proposed Integrated Commissioning structure will be £3.6M.

27. It has been identified that some investment will be required to attract the skill set needed into some of the more senior posts to ensure the leadership, experience and rigour necessary to achieve the change required both in terms of scale and pace. These leaders will also develop the capability of the staff within their teams, as initial needs assessment identifies a shortfall in some key areas. The staffing model will be reviewed as skills and abilities in all staff increase. The current funding percentage contributions made by the Council and the CCG will be maintained across the organisations for existing posts with a move to equal contributions (50:50) if new posts are developed. The additional investment required in a full year will be £90,800 from SCC and £90,800 from the CCG from 2014/15.

28. On the basis that the integrated unit will actually be up and running in the current financial year, there will be a part year cost pressure in 2013/14. Initially the service will seek to fund this from within existing resources within the People Directorate, but if this is not possible it will either be offset against any in year savings delivered, or met from the General Fund Revenue Budget contingency if the costs exceed any available savings. The ongoing pressure will be addressed as part of the development of the budget for 2014/15.

Property/Other

29. None

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

30. A Memorandum of Agreement will be in place between the CCG and SCC outlining key principles covering financial, personnel, accountability, approaches with disagreements and evaluation/outcome measures. Staff will be covered within Section 113 (Pursuant to Section 113 (1A)(b) Local Government Act 1972) agreements.

31. The Health and Social Care Act 2012 places a requirement on the NHS Commissioning Board, Clinical Commissioning Groups, Health and Wellbeing Boards and Monitor to encourage integrated working at all levels. The Act encourages local government and the NHS to take much greater advantage of existing opportunities for pooled budgets, including commissioning budgets and integrating provision.

Other Legal Implications:

32. The proposals within this report and the development and implementation of the Integrated Commissioning Unit will be taken forward in compliance with relevant employment legislation (including TUPE regulations) together with the Equalities Act 2010 and the Human Rights Act 1998.

POLICY FRAMEWORK IMPLICATIONS

33. The work priorities for the unit are informed by the Joint Strategic Needs assessment and align to the Health and Wellbeing Strategy. The work of the unit will contribute significantly to the achievement of outcomes outlined in the Health and Wellbeing strategy and City Council Plan as well as the CCG Strategic Plan.

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	All

SUPPORTING DOCUMENTATION

Appendices

1.	Integrated Commissioning Unit Development- staff consultation - Frequently Asked Questions
2.	Integrated Commissioning Unit – proposed structure

Documents In Members' Rooms

1.	None

Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	No

Other Background Documents

Equality Impact Assessment and Other Background documents available for inspection at:

	Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.	Consultation responses	
2.	Joint Commissioning Strategy	