DECISION-MAKER:		**CABINET** **COUNCIL**		
SUBJECT:		**SHARED COMMISSIONING BETWEEN SOUTHAMPTON CITY COUNCIL AND SOUTHAMPTON CITY CLINICAL COMMISSIONING GROUP**		
DATE OF DECISION:		**18 JULY 2017** **19 JULY 2017**		
REPORT OF:		**THE LEADER OF THE COUNCIL**		
CONTACT DETAILS				
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STATEMENT OF CONFIDENTIALITY
None.

BRIEF SUMMARY
This report recommends further integration between health and social care in the city through the establishment of a Joint Commissioning Board to make joint decisions on behalf of the Council and CCG on certain agreed functions related to health and care. This will be in line with best practice and give Southampton a leading edge as there is an emerging consensus, both nationally and locally, about the opportunity to improve outcomes through a unified approach to health and care planning and funding (commissioning). To contribute towards this it is proposed to build on the existing integrated commissioning arrangements by establishing a new Joint Commissioning Board which would have delegated powers from Council/Cabinet and the CCG General Assembly/ Governing Body to make joint decisions on behalf of the Council and CCG on certain functions related to health and care. It is proposed that the scope of the integrated commissioning arrangements will broadly mirror those areas of health and care commissioning covered by the Better Care Fund S75 plus other existing partnership agreements/shared funding arrangements.

RECOMMENDATIONS:		
	CABINET:	
	(i)	To approve the establishment of a Joint Commissioning Board between the Council and Southampton City Clinical Commissioning Group to undertake Executive functions within the Boards proposed Terms of Reference.
	(ii)	To delegate authority to undertake joint commissioning functions that are executive functions within agreed budgets to individual members of the Board (Officers and Members as appropriate) acting at Board meetings within the procedures set out in the terms of reference.
	COUNCIL:	
	(i)	To approve the establishment of a Joint Commissioning Board between the Council and Southampton City Clinical Commissioning Group to undertake non-executive functions within the Boards proposed Terms of Reference.
	(ii)	To delegate authority to undertake joint commissioning functions that are non-executive functions within agreed budgets to individual members of the Board (Officers and Members as appropriate) acting at Board meetings within the procedures set out in the terms of reference.
	(iii)	To authorise the Service Director: Legal and Governance following consultation with the Leader, Group Leaders, the Chief Strategy Officer and the Director: Quality and Integration to make all necessary changes to the Council's Constitution to give effect to the establishment of the Board and decision making arrangements, including but not limited to changes to the Executive Scheme of Delegation, Officer Scheme of Delegation, Member and Officer Codes of Conduct, Partnership Protocols, Financial and Contract Procedure Rules, decision making protocols and standards and the creation of an Inter Authority Agreement, information sharing and information governance protocols, conflict resolution procedures and protocols as well as terms of reference for any new Board established.
REASONS FOR REPORT RECOMMENDATIONS		
1.	There is an opportunity to strengthen existing joint commissioning arrangements to achieve the level and pace of service change and integration needed to meet current and future challenges. This will enable both organisations to provide the seamless health and care which residents need and to meet quality and sustainability challenges. The current governance structures require changes for both organisations to be able to implement the necessary changes jointly and at pace.	
2.	National direction, such as Integration and Better Care Fund Policy Framework 2017, requires integration between health and care services. Success measures for such are being developed nationally and the Care Quality Commission has the remit to carry out targeted reviews.	
3.	Nationally there is an expectation that full integration of health and social care will be implemented by 2020. Southampton is ideally placed to increase the pace and depth of integrated commissioning, with its asset of co-terminosity between health and local government; its track record of delivering benefits through integration, its existing integrated commissioning functions and good working relationships. A shared	

	ambition for change has been agreed between SCC Cabinet and the Clinical Commissioning Group (CCG) Governing Body: '*Commissioning together for health and wellbeing will allow us to push further and faster towards our aim of completely transforming the delivery of health and care in Southampton so that it is better integrated, delivered as locally as possible, person centred and with an emphasis on prevention and intervening early to prevent escalation'.*
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
4.	Eight options were rigorously tested against a range of (weighted) financial and non-financial assessment criteria. They included: • Resident and patient outcomes: increasing resident and patient benefits through maximising new commissioning possibilities • System efficiency and sustainability :financial benefit through making savings for both organisations; effective decision making; ease of deliverability • Accountability: democratic accountability; strategic alignment of priorities for both organisations; legal and regulatory compliance.
5.	The options considered and rejected during this first stage were to: • do nothing • continue with or reverse current arrangements • joint commissioning by a Combined Authority. These were rejected on the basis of an agreed scoring criteria which comprised ranking the weighted benefit criteria; through this process it was ascertained that these options did not deliver the same benefits as other options.
6.	Four shortlisted options were analysed further to assess their benefits in terms of : • Strategy (i.e. which option has the greatest potential to drive service innovation, provider integration and ultimately maximise benefits for citizens and patients) • Governance (i.e. which option has the structures, powers and duties to maximise integration, whilst minimising complexity and the possibility of legal challenge) • Financial (i.e. balance of pooled and aligned budgets for each option).
7.	As a result of further assessment an additional three options were rejected at this stage: • Joint commissioning hosted by either the CCG or Council • Commissioning overseen by the Health and Wellbeing Board (H&WB). This was rejected as the Health and Wellbeing Board is a sub-committee of Council, not the Executive and as such cannot legally exercise Executive powers. The H&WB has statutory functions wider than the scope of shared commissioning as well as statutory membership which would impact on the balance of the proposed new board as the members have particular voting rights in law. The current H&WB advisory / scrutiny role could also be lost from the system. • Establishing a Regulation 10 committee as allowed within a Section 75 agreement (an agreement made under section 75 of National Health Services Act 2006 between a local authority and an NHS body in England). This was rejected as it would limit decision making to pooled budget items only and not areas where budgets are aligned rather than formally pooled.
DETAIL (Including consultation carried out)	
8.	The proposal is to establish a Joint Commissioning Board to be accountable for

	effective collaboration, assurance, oversight and good governance across the integrated commissioning arrangements for health and care between Southampton City Council and Southampton City CCG. This would demonstrate a commitment to genuine joint working and provide a body constituted with executive powers jointly accountable to Cabinet/Council and the CCG Governing Body/General Assembly. This change will enable greater transparency as meetings will be held in public and reduce complexity in decision making,
9.	The Board will approve and monitor the development and implementation of a publicly available, annual Integrated Commissioning Plan; ensure objectives and targets are met, outcomes achieved for residents and patients and that commissioning arrangements align with the partners' financial and business planning cycles.
10.	This Board would replace the Commissioning Partnership Board which oversees the work of integrated commissioning. The Commissioning Partnership Board make recommendations for key decisions to the Council's Cabinet and CCG Governing Body. It has no delegated decision making power and its role is to ensure effective collaboration, alignment and assurance across the integrated commissioning arrangements between Southampton City Council and Southampton City CCG. The Board also ensures that priorities identified by the Health and Wellbeing Board are met. The proposal in this report is to further strengthen integrated commissioning by delegating some decision making to the members of a Joint Commissioning Board, once strategic direction has been set by Council and CCG Governing Body. This will include the delegation of some of the responsibilities for Better Care currently within the remit of the Health and Wellbeing Board.
	Scope
11.	The proposed scope of the integrated commissioning arrangements will be limited to agreed elements of health and care commissioning. A large majority will be areas already included in the well-established Better Care Fund Section 75 agreement between the council and the CCG. It will also include other existing partnership agreements and shared funding arrangements. This includes services such as integrated rehabilitation, reablement and discharge services, support services for carers, care technology, joint equipment service, mental health and integrated services for children with complex health needs. A detailed breakdown is attached at Appendix 1. At the start, it is proposed that the Joint Commissioning Board will be responsible for an initial budget of at least £105M. The services included within this budget will form part of the budget process for both organisations and still be required to contribute to the efficiency and savings programmes. The remit of this Board will be to recommend savings to contribute to these programmes. The Joint Commissioning Board will be responsible for delivering agreed savings, many of which will be inter related across social care and health, such as with integrated rehabilitation and reablement.
12.	There will also be services in scope for consideration by the Board where the commissioning responsibility/ decision making remains solely with the City Council or the CCG but the use of funding is aligned to deliver a jointly agreed strategy. This could include Respite and short breaks or transformation of Children and Adolescent Mental Health Services (CAMHS). In addition there will be other areas to consider together that help both organisations achieve agreed outcomes, such as bids for funding.
13.	It would be the responsibility of the Board to: • assess and manage any liabilities or risks reported in relation to each of the Better Care pooled fund schemes

	• monitor financial contributions of the Council and the CCG and make recommendations regarding future financial contributions • receive and sign off all Better Care Fund performance reports for approval and submission to NHS England • provide the Council/Cabinet and CCG Governing Body with an annual review of the S75 Better Care Partnership Agreement arrangements.
	Governance
14.	The council's representation on the Joint Commissioning Board will be made through executive appointments of 3 Cabinet Members, similar to the membership of the Health and Wellbeing Board. The CCG will similarly nominate 3 members from the CCG Governing Body. The proposal is that there will be delegated decision making to individual members of the Board with appropriate safeguards limiting the exercise of their delegations to circumstances in which consensus can be achieved at the Board meetings. The Council's Cabinet and the CCG Governing Body may grant delegated authority (with any appropriate caveats) to those of its members or officers participating in the Board to make decisions on their behalf, whilst retaining overall responsibility for the decision made by those members or officers. It would therefore be the individual member or officer who had the delegated authority to make a decision rather than the Joint Commissioning Board itself (unless under S75 lead commissioning arrangements).
15.	As the Board will, through its member's delegated decisions, be exercising Executive functions, the following requirements would apply: • set published meeting dates, to provide advance information on the Council's Forward Plan (28 days before any decision)) and CCG's governance arrangements • written reports containing specified information that must be published a set period in advance (5 working days before meeting date) • hold meetings in public (proposed to commence from April 2018) • restrictions on taking confidential decisions unless a period of notice (28 days) has been given • requirements around recording and publishing decisions • 'standstill period' following decisions during which 'Call In' can be exercised by the council's Overview and Scrutiny arrangements.
16.	The council's legal advice is that this is a tried and tested method of governance that is legally the most robust to achieve. It also requires less change constitutionally and will be easier to manage administratively.
17.	Under this proposal Executive Members or Officers attending the Board would require delegated powers to enable them to make decisions following consultation with the collective Board. This could be achieved by amending the Executive Procedure Rules and Officer Scheme of delegation in the Council's constitution together with consequential amendments to Financial Procedure Rules and Access to Information Procedure Rules. Such changes would need to go through the constitutional change process and be approved by Full Council.
18.	The draft Terms of Reference is attached at Appendix 1 and includes the scope. The Board would require a consensus between the two organisations prior to any delegated decisions being taken. Consensus will be demonstrated by a show of hands. It is important that given the nature of the decisions, securing the support of both partners will be critical to the success of this Board. In those circumstances where consensus cannot be reached, it is proposed that the matter would be deferred for further consideration by the parties to be reconsidered after discussions between the Chair

	and respective partner lead. Functions outside the decision making scope of the Board, but related to health and social care will be discussed for information only at the Board, with the considerations and any recommendations of the Board formally minuted. Items will then be referred to the relevant decision maker (e.g. CCG Governing Body, Council).
	Benefits
19.	Shared commissioning enables achievement of a shared vision e.g. a shared focus on prevention and early intervention and community solutions to promote independence & a shared commitment to realise it. This is alongside the ability to share risks and benefits associated with implementation of the shared vision, enabling us to do the "right thing" without unfairly disadvantaging or advantaging one organisation and to commission against a single agreed set of common outcomes and priorities – making best use of resources. The opportunity to share data on needs and good practice evidence leads to more intelligent commissioning and to develop more innovative solutions to meet people's needs in the round (as opposed to commissioning in silos for people's "health" versus "social" needs) which leads to improved outcomes for people. Bringing together health, public health and social care resources and stripping out duplication had already led to savings and efficiencies. A stronger governance process will facilitate the commissioning of a more joined up health and care system,
20.	Integrated commissioning has already achieved savings across both organisations covering a range of services which include in 2016/17, Adult Social Care - £2.4M, Public Health - £1M and the CCG - £3M. Integrated commissioning arrangements have been highlighted as a particular strength in recent inspections, e.g. SEND and delivered improved outcomes and made positive benefits such as: • redesign of an integrated Rehabilitation and Reablement Service which has reduced admissions to residential and nursing homes (16% lower than the plan in 2016/17) • collaborative work with the home care market promoting an increase in over 1,500 hours per week • focus on quality in care home provision limiting the need for lengthy cautions or suspensions from placement; • 50% increase in carers identified, engaged and in receipt of services • complete redesign of all age mental health services undertaken – Mental Health matters – and additional investment identified for CAMHS and adult mental health services • six new supported living schemes have been created providing 28 new tenancies for people with learning disabilities
21.	Ten benefit criteria of integrating commissioning were identified to be used as part of the options analysis including: • Using integrated commissioning to drive provider integration and service innovation. It is through these innovations that integrated commissioning has the greatest potential to benefit citizens and patients. • Improving the efficiency of commissioned services. This includes both streamlining process and reducing duplication and variation. This is particularly relevant for services / providers working across both commissioning organisations. • Increasing the effectiveness of commissioning – across the whole of the commissioning cycle. Combining the knowledge, expertise and (importantly) authority and leaderships of both organisations (clinical and democratic) has the potential to significantly increase the effectiveness of commissioning across the city.

22.	Financial benefits from integrated commissioning will be delivered in a number of ways including: • Economies of scale and benefits accruing from integrated services • Enhanced market and local economic development arising from more opportunities to invest at scale in health and care private, social enterprise and voluntary and community provision. • Agreed efficiency savings arise from better understanding of activity, unit costs and reduced variation.
	Consultation and engagement
23.	A Steering Group with representatives from the council's Cabinet and lead officers and executive officers from the CCG Governing body reviewed the outcomes from the options appraisal as well as feedback from one to one interview discussions with Members, clinicians and stakeholders. Feedback which has been reflected in the final proposal in this report, included: • do not want to move backwards and undo progress made by integrated commissioning (ICU) • agreed further integration is the correct direction of travel, to deliver better outcomes for citizens and financial stability • current governance structures constrain the pace and quality of decisions. • enabling cultural differences between the organisations to be narrowed through mutual trust whilst retaining control within each organisation. • define 'red lines' – the areas of control that would need to remain for the council and the CCG. • need to define clear metrics for further integration – the measures of success and the degree to which each option can achieve these and selection by Parliament for Southampton to be one of a handful of councils to test this.

RESOURCE IMPLICATIONS

Capital/Revenue

24. The current 2017/18 value of the Better Care Section 75 pooled budget resources is:

Scheme	CCG £'000	SCC £'000	Total £'000
Carers	1,240	134	**1,374**
Clusters	47,026	2,212	**49,238**
Rehab & Reablement	10,543	4,551	**15,094**
Capital		1,882	**1,882**
Joint Equipment Store	798	803	**1,601**
Telecare		250	**250**
Direct Payments		500	**500**
Long Term Care		2,750	**2,750**
Integrated Care Teams	9,894	16,414	**26,308**
Prevention & Early Intervention		6,199	**6,199**
Total	**69,501**	**35,695**	**105,196**

CCG Savings (QIPP) schemes impacted by Integrated Commissioning:	
Working Age Adults Non-Elective Admissions	548
Older people falls and Ambulatory Care Sensitive admiss	61
Rehab/Supported discharge	702
Case Management	1,013
	2,324

Property/Other

25. Not applicable

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

26. Children and Families Act 2014 – emphasises that a local authority in England and its partner commissioning bodies must make arrangements ("joint commissioning arrangements") about the education, health and care provision to be secured

27. Care Act 2014 establishes requirement for integration of care and health by 2020

NHS Five Year Forward View 2014 which outlines the future direction for the NHS which requires new partnerships in how care is delivered breaking down barriers between health and social care with more integrated approaches and with patients having far greater control over their own care

Other Legal Implications:

28. Changes will be required to the Executive Scheme of Delegation, Officer Scheme of Delegation, Member and Officer Codes of Conduct, Partnership Protocols, Financial and contract procedure Rules, Decision making protocols and standards and the creation of an Inter Authority Agreement, information sharing and information governance protocols, conflict resolution procedures and protocols as well as terms of reference for any new Board established. Changes will only be made following consultation with the Leader and Group Leaders. Changes to Financial Procedure

	Rules will at this time be limited to authorising an increase in individual Cabinet Member authority to spend up to £2M and only when all 3 Cabinet Members on the Board are in agreement.
POLICY FRAMEWORK IMPLICATIONS	
29.	The scope of integrated commissioning fully supports the achievement of priorities in the Council Strategy, and in particular, children and young people in Southampton get a good start in life, people in Southampton to live safe, healthy, independent lives. These are also the basis of the Southampton Better Care plan. They also form the core of the CCG operating plan and Southampton City Local Delivery System Plan 2017-19 where key priorities include: • Prevention and Earlier intervention – deliver a radical upgrade in prevention, early intervention and self-care • Better Care Southampton • Mental health – improve the quality, capacity and access to mental health services • Children and maternity – improve local services for children, young people and women.
30.	Integration and Better Care Fund Policy Framework 2017 – local areas have to set out in Better Care Fund returns for 2017-19 how they expect to progress to further integration by 2020. Policy Framework has been developed by the Department of Health (DH), Department for Communities and Local Government (DCLG), Local Government Association (LGA), Association of Directors of Adult Social Services (ADASS), and NHS England.
31.	The proposals above help the city to realise the Local Government Association's eight principles for effective health and care commissioning.

KEY DECISION?	Yes	
WARDS/COMMUNITIES AFFECTED:	All	
SUPPORTING DOCUMENTATION		
Appendices		
1.	Draft terms of Reference including the scope	
Documents In Members' Rooms		
1.	None	
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessments (ESIA) to be carried out?		No
Privacy Impact Assessment		
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.		Yes/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.		
2.		