

Bath & North East Somerset Council		
MEETING:	Cabinet	
MEETING DATE:	08 November 2017	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3010
TITLE:	B&NES Council and BaNES CCG Integration	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
<ul style="list-style-type: none">Appendix 1: Current governance model to support Joint commissioningAppendix 2: Proposed new Governance arrangements to support Integrated Health and Care Commissioning		

1 THE ISSUE

- 1.1 The purpose of this report is to describe, and seek agreement in principle, on the proposed future governance requirements for an integrated commissioning arrangement between B&NES Council and BaNES Clinical Commissioning Group (CCG).

2 RECOMMENDATION

The Cabinet is asked to;

- 2.1 Support the development of stronger integrated arrangements between the Council and CCG and approve further work to develop the governance proposals so that they can be taken forward to the full Council meeting in May 2018;
- 2.2 Delegate to the Strategic Director for People and Communities to set up shadow arrangements in January 2018 in consultation with the Cabinet Members;
- 2.3 Support the resource request to develop the integration proposal to the next stage.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

3.1 The integration programme can be described as a number of phases which will have an impact in the rest of the financial year 2017/18 and then in the full financial year 2018/19. The summary below shows the estimated total resource requirement for both years, based on current assessment of the likely work required.

3.2 Summary of estimated costs to support integration project

Costs	2017/18 (Remaining)	2018/19
Programme Director	£20,968 (Dec to end March 18)	£37,964
Communications Support and Staff Engagement	£20k (assume 5 months expenditure)	£25,200
Admin Support	£5,262	£12,631
Organisational Development	£5,000	£5,000
Finance	£7,000	£7,000
Legal Advice	£10,000	£15,000
Total	£68,230	£102,979

3.3 The Programme Director will be employed on a part-time basis for four months in 2017/18 and 8 months in 2018/19. This post will be a 12 month fixed term appointment to deliver the integration programme, anticipating that thereafter the new arrangements will have become embedded within structures and resources.

3.4 The Communications Support and staff engagement cost includes a series of staff focus groups during 2017/18 to explore current beliefs and opportunities around integration, temporary additional communications capacity and the production of supporting information.

3.5 It is proposed that the source of funding for 2017/18 be the Better Care Fund allocation for “strategic support” and utilisation of an uncommitted budget in the year. The integration programme is aligned with the purpose of this scheme and consistent with the guidance on use of the BCF, which is intended as an enabler of health and social care integration as described elsewhere in this report. The source of funding for 2018/19 will be confirmed as part of the Council and CCG’s usual budget setting processes and is likely, again, to be the BCF.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 Both organisations need to be aware of options for delegated decision making. Guidance on governance for Sustainability and Transformation Partnerships published in June 2017 advises that Clinical Commissioning Groups are able to create joint committees with local authority commissioners, where each organisation nominates its representative member(s). This committee cannot cover certain core functions and the example given in the guidance is that it could not cover CCG core functions such as audit. It could, however, have a specific focus, that is *integrated commissioning*. There would be joint decision making between the organisations but statutory responsibility for decisions will still lie with the individual sovereign organisations.
- 4.2 The use of Section 75 enables NHS bodies and local authorities to create pooled budgets using contributions from their individual organisations. However, Section 75 does not allow for all health and social care services to be included within a joint fund. Whilst local authorities can delegate a broad range of their services, the legislation sets out some detailed exclusions. Other arrangements can be established to compliment Section 75 arrangements.
- 4.3 Further work is required to identify the most appropriate arrangements locally, informed by specialist legal advice before establishing shadow arrangements and seeking full approval to any proposed changes in May 2018.

5 THE REPORT

Introduction

- 5.1 The overarching aim of this report is to describe the role the two key organisations, B&NES Council and BaNES CCG, could play in leading the extension and enhancement of integrated commissioning for the benefit of the population of Bath and North East Somerset and to create a more sustainable approach to the commissioning and provision of Health and Care going forward.
- 5.2 The Council and CCG each has its own constitution and separate accountabilities but has a common interest in the health and wellbeing of local people. There is now an opportunity to strengthen existing joint 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 the sustainability challenge faced by both organisations.
- 5.3 The current governance structures require changes for both organisations to be able to implement the necessary changes jointly and at pace. National direction, such as The 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, particularly in relation to integrated arrangements to avoid hospital admission and reduce Delayed Transfers of Care from hospital into community settings.

5.4 The Council and CCG can be informed and reassured by the work that is being undertaken elsewhere around the country to deliver further integration between Health and Social Care. Similar models to those proposed through this report can be seen in varying stages of development in Somerset, Southampton and North East Lincolnshire.

Background to and history of integration in B&NES

5.5 The Government is clear within the Better Care Fund Policy Framework for 2017-19 that people need health, social care, housing and other public services to work seamlessly together to delivery better quality care. More joined up services help improve the health and care of local populations and may make more efficient use of available resources.

5.6 B&NES Council and the local NHS have a long history of constructive joint working. Joint health and social care structures have been in place in B&NES since 2009, with commissioning arrangements implemented in that year and provider arrangements consolidated by the creation of an integrated health and social care provider in 2011. This was supported by a formal Partnership Agreement that described how the then Primary Care Trust (PCT) and Council would work together to deliver improved outcomes for the population.

5.7 Joint financial arrangements, primarily pooled budgets, were implemented alongside the original joint structures and have expanded and developed since. Following NHS reconfiguration, the CCG and Council reconfirmed their commitment to joint working and agreed a Joint Working Framework. The commissioning arrangements were reviewed and redesigned in 2013 in response to the creation of the CCG and the reaffirmation of the commitment by both CCG and Council to joint working and to the integrated commissioning and provision of services.

5.8 A Partnership Board for Health and Wellbeing (the precursor to the current Health and Wellbeing Board) was established in 2008 to oversee, monitor and make recommendations in respect of the development of strategy and performance management of adult health and social care, children's health and social care and public health.

5.9 In B&NES, the journey towards closer integration is set out within the your care your way programme. The two organisations worked in strategic partnership over a two year period (2014 to 2016) to review community health and care services through "Your Care Your Way". Through a process of extensive engagement with a wide range of partners, including service users, carers, staff and provider organisations this review helped to set out a future vision for health and care services and supported the delivery of services better co-ordinated around the individual to ensure the right care is offered at the right time and in the right place. The review also supported the development of outcomes based commissioning based on those outcomes that are most important to the people and communities of Bath and North East Somerset and against which success can be measured.

Current arrangements

- 5.10 Established under the Health and Social Care Act 2012, the B&NES Health and Wellbeing Board is the overarching strategic forum where key partners with a role in the health and wellbeing agenda come together to improve local health and wellbeing. The Board is responsible for having oversight of the health and care system and for setting the strategic direction for meeting local health needs. The Board has adopted co-chairing arrangements between the Council and CCG, recognising the value and importance of the shared ambition between these two organisations in promoting good health and wellbeing. These arrangements seek to facilitate real and clear joint ownership for the whole health and care system.
- 5.11 The Health and Wellbeing Select Committee is responsible for scrutinising the planning, provision and operation of local health and care services and for holding local health organisations to account when they make significant decisions about the future of health care provision in B&NES.
- 5.12 As described in paragraph 5.7, currently the commitment to and arrangements under which the BaNES CCG and B&NES Council work together are described in the Joint Working Framework (April 2013). This document sets out aspirations around common goals and shared working practices. The partnership arrangements are underpinned by formal Section 75 and section 10 pooled budget agreements.
- 5.13 The operation of joint working arrangements including the operation of pooled funds and the exercise of functions by either body on behalf of the partner body, is overseen by a Joint Committee for the Oversight of Joint Working. As illustrated in Appendix 1, in October 2014 the Joint Commissioning Committee replaced the previous structure in October 2014, further strengthening governance of our joint commissioning arrangements. The Committee consists of senior managers from BaNES CCG and B&NES Council, and clinical representatives. The overall role of the group is to develop the overarching vision of joint working, review joint strategies, plans, performance and risk and develop integrated commissioning of adult health and social care and children's health services. JCC is a sub-committee of the CCG Board.
- 5.14 Under these arrangements the CCG and Council currently commission a range of community health and care services together and to strengthen these arrangements a number of commissioners are jointly funded by, and are accountable to, both organisations including in relation to the Better Care Fund Plan, for Mental Health, Learning Disabilities and Children's services. There is also a joint finance lead to support joint commissioning and the management of associated pooled budgets. However both organisations believe that there is a clear opportunity to go beyond the existing joint arrangements to create a single commissioning function in B&NES.

Proposed arrangements

- 5.15 As part of the programme of work to develop the proposed integrated commissioning model a review of the current governance arrangements has been undertaken and further detailed work will continue in the coming weeks. This work includes a review of and revisions to financial reporting, oversight and assurance of pooled funding arrangements, in the context of a significantly expanded Better Care Fund pooled budget as well as the proposed further integration of Council/CCG commissioning arrangements considered in this report.
- 5.16 The intent is to seek to develop a model which would ensure that future arrangements are fit for purpose, sustainable and able to respond effectively to emerging issues and pressures across health and social care. The model is outlined in Appendix 2. In summary the broad principles of such a model would include:
- The two statutory organisations will still exist – BaNES CCG and B&NES Council will continue to remain responsible for and will retain statutory governance and assurance mechanisms. There is not a new organisation being created, instead a new Governance model and ultimately a new leadership and integrated commissioning structure is being proposed which is capable of providing the mechanisms within which the two statutory organisations continue to meet their obligations through extended joint working and financial arrangements;
 - The Health and Wellbeing Board and Health and Wellbeing Select Committee will continue to operate as described in the current arrangements;
 - The model will have an assumption that this is a “partnership of equals” and this will be reflected in design and detail;
 - The decisions and functions that will be delegated will be determined by appropriate decision making bodies of the two organisations which will remain responsible for the delivery of all statutory responsibilities;
 - The proposed Governance arrangements will operate in Shadow form from January 2018 until such a time that they have been reviewed and evaluated and can then be formalised within refreshed section 75/section 10 arrangements;
 - The new model must be capable of adding value: it will need to work differently to better shape and manage pooling of responsibilities, budgets and resource and the harnessing of greater commission power. Importantly it will need to reduce, not add to the burden, in terms of governance, process and delivery;
 - There will be a need to understand how the new model will connect and work with the wider system leadership at local, regional and national level;
 - Creating a united commissioning “voice” for Bath and North East Somerset during the current wide scale system reform is seen as the best route to ensure our local interests are best represented and protected.

5.17 Whilst the broad framework, accountabilities and responsibilities are described within this initial model, if approved, much more detailed work will be required to test out and map the full set of governance arrangements.

5.18 In looking at the detail of the proposed structure there are a number of key changes proposed:

- The introduction of an Integrated Health and Care Board to make decisions on behalf of the Council and CCG on agreed functions relating to health and care with the explicit aim of improving outcomes through a unified approach to health and care planning and funding. This Board will have delegated powers from the Council and the CCG Board to make decisions on behalf of the Council and CCG on certain functions related to health and care commissioning. The Board will be accountable for effective collaboration, assurance, oversight and good governance across the integrated commissioning arrangements for health and care between the Council and CCG. This would demonstrate a genuine commitment to joint working and establish a body constituted with executive powers jointly accountable to Cabinet and CCG Board. This change will enable greater transparency as meetings will be held in public and reduce complexity in decision making; The Integrated Clinical Executive Group is a new group which will mirror some of the responsibilities of the current Joint Commissioning Committee (JCC) and as a result JCC would cease to operate.
- The Council and CCG will each nominate an agreed and equal number of members and/or senior officers with appropriate delegations with decision making powers as described through the Terms of Reference from their respective governing body;
- The proposal is that there will be delegated decision making to individual members of the Board;
- A newly established Integrated Commissioning Committee will operationally deliver the requirements of the Integrated Health and Care Board.

Benefits of proposed further integration

5.19 Benefits of proposed further integration include the following:

- Integrated commissioning arrangements enables achievement of a single vision and shared focus on prevention and early intervention and community solutions to promote independence and a shared commitment to achieve improved health and wellbeing outcomes and reducing health inequalities for the people of B&NES.
- The ability to share risks and benefits associated with the pooling of resources and delivery of the shared vision.
- The opportunity to share information results in more intelligent commissioning and the development of more innovative solutions to meet people's needs.

- Integrated commissioning enables the effective use of pooled resources, including funding, to ensure the individual's whole needs are at the centre of decision making, resulting in improved outcomes and the ability to target resources to the most effective place in the system to meet need. This avoids potential wasted resource and sub-optimal outcomes.
- It is not always clear to the public which organisation is responsible for the services that they need. Integration of commissioning arrangements between the Council and CCG will mean that it is less important for people in need of health and care advice, support or assistance to know which organisation to refer to as holding the statutory responsibility for meeting their need, as whichever entry point they use, the system will be able to support them to the right point.
- By working more closely together to achieve a single vision the CCG and Council would be better able to influence the way that health and care services are delivered for the population through a stronger voice at local, regional and national level.
- There is the opportunity for greater synergy between the adults and children's agenda where transitions can be managed more effectively.
- Providers will benefit from a single commissioning and contracting process for the services commissioned by the Council and CCG.
- More integrated commissioning helps identify gaps in provision as well as overlaps and duplication enabling the development and delivery of seamless pathways from prevention to specialist and acute care and through all life stages.
- Reduced bureaucracy, timely decision-making, ability to identify opportunities to develop shared support and "back-office" functions are all potential benefits of further integration between the Council and CCG.

Next steps

- 5.20 If agreed, the proposed governance structure set out in this report would be the subject of further detailed work, including on Terms of Reference for the Integrated Health and Care Board and Integrated Commissioning Committee, with a view to proceeding in shadow form with the new arrangements from January 2018 and agreement by Council in May 2018.
- 5.21 The proposals set out represent a natural development of the current joint working arrangements with the aim of further improving outcomes for the local population. These proposals may result in resource reallocation and, possibly, one off costs but also the potential for efficiencies which will help support the longer-term sustainability and resilience of the Council and CCG in meeting their respective statutory responsibilities and those of the local health and care economy.

- 5.22 Once the proposed governance structure is in place in shadow form the next phase will be the options appraisal to look at the optimum organisational model to deliver a B&NES Health and Care Integrated Commissioning Function. This is broadly shown diagrammatically in Appendix 2. Through these commissioning functions and associated teams and individuals from the CCG and Council (People and Communities Directorate) will come together to deliver integrated commissioning as recommended by the Integrated Health and Care Board to the Council and CCG Governing Bodies and implemented by the Integrated Commissioning Committee.
- 5.23 Subsequent phases will look to bring in the broader determinants of health and wellbeing in terms of the other services provided or commissioned by other Council Directorates such as housing, education and leisure facilities as well as the potential for integration of other functions, for example shared back-office services.

Communications and Engagement

- 5.24 A communications and engagement plan is being developed for key stakeholders to set out the proposals in further detail, highlight the benefits of the proposed model and clarify how key stakeholders can be engaged in future phases. All communications will be jointly undertaken by both the CCG and Council.

6 RATIONALE

- 6.1 The proposals set out in this report represent a natural next step in the development of the partnership between the Council and CCG and reflect both national and local strategic direction. At a time of significant challenge, there is the opportunity to achieve a range of benefits from further extending and expanding the Council and CCG's integrated commissioning arrangement, including improved health and wellbeing outcomes for the people of Bath and North East Somerset and longer-term sustainability.

7 OTHER OPTIONS CONSIDERED

- 7.1 The risks and benefits of not progressing with the expansion and extension of integrated commissioning have been considered. However, whilst the current joint working arrangements have delivered benefits they are highly unlikely to enable and support achievement of the range of benefits set out in paragraph 5.17, particularly in the context of the financial challenges facing both the Council and the CCG.
- 7.2 The risks and benefits of full integration have also been considered. However, taking the recommended approach will enable and support further testing and evaluation of the risks and benefits at each stage. Also, the current legislative framework does not support the establishment of a new legal entity.

8 CONSULTATION

- 8.1 To date there has been no formal consultation.

8.2 A wide range of officers from both the Council and CCG are actively engaged in developing the proposed integrated commissioning model, including subject matter experts from finance, governance, commissioning and organisational development. Proposals are the subject of more detailed reports to be presented to both Council Cabinet and CCG Board in November. Informal briefings have been given to Council Cabinet, CCG Board, Council Strategic Management Team, CCG Executive Team and Council/CCG Joint Commissioning Committee.

9 RISK MANAGEMENT

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

9.2 Creation of the new proposed governance structure will include robust risk management and reporting arrangements.

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Background papers	
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