

Report to: CABINET
OVERVIEW & SCRUTINY COMMITTEE
ADULT SERVICES PANEL

Date: 29th NOVEMBER, 2007
14th JANUARY, 2008
22nd JANUARY, 2008

Subject: SINGLE COMMISSIONING AGENCY

Report of: DIRECTOR OF ADULT SERVICES

Contact officer: BERNARD WALKER – TEL: 01942-827780

Purpose / summary: This report proposes establishing a Single Commissioning Agency with Ashton, Leigh and Wigan Primary Care Trust.

Alternative options considered and reason for selecting the one recommended: To continue working together as separate organisations. This would not produce the service or financial benefits which can be gained from a more formal approach. It would also be out of line with Government Policy.

Recommendation / decision: Cabinet is recommended to:-

- Approve the establishment of a Single Commissioning Agency with Ashton, Leigh and Wigan PCT.
- Agree the next steps outlined in the Report in order to:
 - I. Arrange a knowledge exchange workshop to explore critical issues.
 - II. Develop the detailed governance model for the SCA and submit to a shadow Board meeting in January or early February 2008.
 - III. Continue to progress with the joint executive group to further the detailed planning for the SCA.
 - IV. Ensure congruency with the other Council and PCT organisational changes underway and harmonise timings wherever possible.
 - V. Identify the SCA structure, staffing and impact on current arrangements

- and HR processes.
- VI. Initiate a communications strategy across the partner organisations.
- VII. Develop a year 1 work programme for the SCA.

Key Decision:

This report involves a key decision within ground(s) 1.

The decision made as a result of this report will be published within **48 hours** and cannot be actioned until **seven working days** have elapsed, i.e. before 10th December, 2007

This item is included in the Forward Plan.

Risks / Implications:

Financial:	The Council's contribution to the Single Commissioning Agency will be contained within the existing Revenue Budget.
Staffing:	These will be determined. It is anticipated jointly appointed staff will remain with their existing employer.
Policy: Equal Opportunities - Has a Diversity Impact Assessment been conducted?	Health and Wellbeing N/A
Wards affected:	All

Property – Does the proposal involve a reduction, addition or change to the Council's asset base or its occupation?

No

Does this proposal have significant implications for the Council and the local population?

No

Does this proposal involve a new policy or procedure or significant changes to an existing policy or procedure?

A diversity impact assessment is not necessary at this stage, however, equality and diversity implications have been considered when producing this report.

Has the Director of Legal and Property Services confirmed that the recommendations within this report are lawful and comply with the Council's Constitution? **Yes / ~~No~~ ***

Has the Director of Finance and IT confirmed that any expenditure referred to within this report is consistent with the Council's budget? **Yes / ~~No~~ ***

Are any of the recommendations within this report contrary to the Policy Framework of the Council? **~~Yes~~ / No ***

* delete which applicable

For Cabinet reports only :

Categorisation of the report:	x		x
Discussion leading to a decision	x	Discussion	
Monitoring		Decision	
Sharing for corporate understanding		Information	

Tracking/Process:

	Consultation	Ward Members	Partners
			PCT Board 28 th November, 2007
Panel	Overview & Scrutiny	Cabinet	Council
22 nd January 2008	14 th January, 2008	29 th November, 2007	

List of Background Papers in accordance with Section 100D of the Local Government Act 1972:

Document	Date	File Reference	Place of Inspection
An integrated approach to the promotional and development of Joint Commissioning Mechanisms and Infrastructure for Adult Services (Health and Social Care)	May 2007	Whole Systems Partnership	Civic Centre

Proper Officer Bernard Walker

Date 13th November, 2007

Wigan Borough Council and Ashton, Leigh & Wigan PCT

Development of the 'Single Commissioning Agency'

Board/Cabinet update: November 2007

1 Introduction

1.1 Background

Ashton, Leigh and Wigan Primary Care Trust, and Wigan Borough Council have been discussing and developing proposals to develop closer partnership working in ways that could enhance the development of an integrated commissioning arrangement. The aim of this proposal is for a new partnership called a Single Commissioning Agency (SCA). This is not a legal entity (accountability remains with the statutory partners to the proposal), but it is an innovative partnership that makes best use of existing legal powers for NHS bodies and local councils to work together in commissioning (procurement and purchasing), and therefore to secure improved services for local people.

The development of the SCA will improve the way in which a number of local public services are planned, purchased and designed, as well as being integrated around the needs and expectations of individual service users and patients and provide the potential for providing better value for money. Whilst the initial proposals are specific to a named range of care groups and services the proposal has the longer term potential to undertake a wide range of commissioning functions.

This proposal will help to overcome organisational boundaries between the PCT and the Council and achieve a fundamental shift in thinking from an NHS that traditionally addresses ill-health first and then promotes well-being, to one that promotes health and well-being and addresses ill-health to the highest standard possible.

The PCT and the Council already have a strong track record of working together across a range of care groups and service areas. This has included mental health, intermediate care, learning disability services, continuing NHS healthcare and others. However, much of this is informal. The next stage in these relationships is to formalise and integrate the commissioning approaches through the use of existing legal frameworks and joint governance.

Alongside ALW PCT and the Council a number of other leading Primary Care Trusts and Local Authorities are exploring and implementing increasingly integrated commissioning arrangements (varying scale) to help remove unnecessary gaps and duplication between services, making life easier for individual service users, carers and patients. The proposals respond to an increasingly transparent policy objective to separate strategic commissioning (for the whole population) from operational commissioning (local and individual) in both health and social care with increased devolution of budgets and purchasing power.

1.2 Brief and process for undertaking the review

The PCT and Council jointly initiated this work and have developed the current proposal through the brief set out below:

- a. To develop options for formal joint commissioning mechanisms that undertake on a joint basis those functions currently associated with commissioning adult health and social care provision and undertaken by the PCT and Directorate of Adult Social Services.
- b. Ensure that options are set against the available evidence base, best practice, an identification of the critical success factors and the Audit Commission work on governance and accountability. In addition to take account of the current research identifying the basis of achieving successful outcomes through partnership working.
- c. Develop a local statement of anticipated outcomes for the joint commissioning approach as a guide to informing the option appraisal element of the brief.

The work was undertaken in four overlapping stages, namely:

1. Research and visioning, including:
 - a. A thorough examination of the evidence base including research on effective partnership working;
 - b. A national perspective of emerging best practice including the recent Audit Commission report on governance and accountability in structured partnership working;
 - c. Initial work with the Steering Group to explore future aspirations for joint commissioning.
2. Individual discussions to explore:
 - a. The current ambition and vision for joint commissioning and the core principles to be adopted;
 - b. The success criteria each of the organisations would deem to be appropriate/critical;
 - c. Any limitations that needed to be designed into the approach.
3. The development of options or models that reflect best practice and would meet local aspirations.
4. Working with the Steering Group in the preparation of final recommendations.

An Executive Summary of this work was produced (May 2007) and is available on request.

1.3 National context and drivers for change

"It can be argued that health and local government are now so important to each other that the nature of their relationship will have to change if either or both are to be successful. Crucially these two partner agencies have scope to benefit each other in two main ways....."

Health services are so important to local people and people's sense of place and identity that local government must be able to influence and work with PCTs if they are to be effective community leaders and place shapers. This is arguably already fundamental to local authority's duty to promote the well-being of the local population, but becomes even more crucial given the local government White Paper.

New PCTs must move beyond their traditional NHS notions of corporate governance to become embodied in a way fundamental to local communities, thus enabling them to fulfil their voice function in reflecting the views and

*demands of local people within their funding and commissioning decisions.
This promotes local accountability and legitimacy for the decisions they make.*

..... thus local authorities need PCTs to help them place shape, whilst PCTs need local government for legitimacy and community engagement.” [Health Service Management Centre, Birmingham University].

The current national policy context anticipates local responses that can shape services to deliver:

- More personalised care;
- A greater emphasis on prevention;
- Better community services closer to home;
- Greater support for self care;
- Integrated health and social care services;
- An increased range and type of services;
- A better balance between public, private and voluntary sector provision.

It is anticipated that these would be achieved through:

- Effective commissioning partnerships focussed on community well-being and co-ordinated responses to those in the greatest need;
- The development of innovate models of provision and flexible provision, allied to be development of social capital;
- Strategies for workforce development to increase flexibility and regeneration;
- Robust independent regulation allied to local outcomes and quality requirements;
- A strong voice for citizens, service users and cares.

This approach would also reconcile:

- Needs assessment information and analysis;
- Funding arrangements;
- Planning cycles;
- Outcomes and performance frameworks that are recognized as being essential if the well-being agenda is to be effectively sustained.

1.4 The proposed Single Commissioning Agency

The first stages in the development of a Single Commissioning Agency (SCA) from 1st April 2008 represents the Ashton, Leigh and Wigan Primary Care Trust and Wigan Borough Council response to these expectations. The development process will reflect one of evolution rather than revolution but will create sufficient ‘critical mass’ in the new Agency to ensure the desired impact and continued momentum and development.

The SCA will reflect the following characteristics:

- Local partners agreeing the overarching strategic vision for Wigan Council/ALW PCT rooted in local priorities decided through consultation and local engagement. LA/PCT then work through the single commissioning agency to deliver appropriate elements of that overall strategy;
- Supported by integrated commissioning and quality assurance approaches, joint workforce planning and development of an effective shared local performance management framework;
- A reconciled Local Authority and PCT planning process developed in line with national guidance;
- Approach based on joint assessment processes that take into consideration an individual's holistic needs with the aim to respond in ways that promote independence;
- Integrated strategic planning and commissioning to ensure more effective use of resources, targeting and reflecting localisation to meet differential community needs;
- Has the potential to lead to integrated information provision including a possible single portal for non-emergency services;
- Promotes local provider vehicles cognisant of the LSP and based on social enterprise and third sector development amongst others;
- Community engagement on a locality footprint and enabling commissioner 'listening' to be horizontal across a range of experiences and pathways – 'whole life' approach.
- Overarching partnership responsibility for managing a pooled fund, setting and monitoring an outcomes based performance framework and targets derived from local and national priorities;
- Each part underpinned by a shared performance and outcomes approach, flows of funding and clear, consistent lines of public engagement, rather than rigid governance structures;
- Underpinned by joint appointments, collective accountability through the 'Board' and sound 'organisational' and business methodology (data, information and analysis).

2 Aims and outcomes for the SCA (illustrative)

The aims of the single commissioning agency can be summarised as:

- To place patients and service users at the heart of community health and adult social care services by redesigning the services around them and their carers, so that services better respond to the needs of the whole person;
- To ensure that interventions and responses to need is provided and co-ordinated as part of a seamless, more responsive and effective service that provides better value with enhanced communication;
- Strengthen commissioning in the light of current policy approaches. This will be achieved through shared skills, shared infrastructure, integrated market shaping and development;
- Make 'access' to services simple, local and integrated for those who need them;
- Ensure that decisions about the level and nature of services provided are made in a manner that is fair and equitable;
- Promote actively the wider involvement of voluntary and community organisations, patients, service users and staff in the development of services;

- Facilitate, through commissioning, the development of a skilled and motivated health and social care workforce, sustainable community 'capital' and third sector provision that enhances local employment and access to learning;
- Ensure that the best value principle of continuous improvement is evident in all the services that it commissions;
- Work within and make the most effective possible use of the overall funding available in responding to patient and service user need;
- Take forward the objectives of the Local Development Plan, the Council's Corporate Plan and the Local Area Agreement.

Critical success factors associated with developing the single commissioning agency has been identified as:

- Achieving financial flexibility that demonstrably shifts resources from illness to well-being, mapped against the needs analysis and moving upstream into the preventative approaches;
- Measurable health improvement at both whole population and neighbourhood levels with collective resourcing and commissioning;
- Excellence in the use of integrated intelligence through sound and relevant data and information collection providing informative analysis in a timely manner that influences the shape and procurement of services that are commissioned;
- An integrated population based outcomes and benefits realisation approach that provides a framework for commissioning and procurement processes developed with citizens, patients and service users;
- Initiated and developed community engagement and accountability approaches that are rooted in local communities and their needs.

3 Current proposal

3.1 Overall approach and critical factors

Key elements of the current proposal to develop the SCA are predicated on:

- The need to ensure that the pace of change is managed in the context of other significant organisational changes, including the development of the Community Foundation Trust application, practice based commissioning and implementation of major service changes;
- The importance of achieving a balanced contribution between the PCT and local authority;
- Ensuring an appropriate methodology for the senior joint appointment to manage and lead the development of the single commissioning agency.

It is proposed that from 1st April 2008 that a shadow SCA pooled budget will be in place consisting of resources associated with mental health services (including those for older people), learning disability services, intermediate care, continuing NHS healthcare and complex care and the DASS budgets for those services. This will represent a significant level of resources. These groups represent some of the most vulnerable individuals in the population.

Continued development of the critical mass for the SCA would be subject to discussion between the partners and judgements about the effective delivery of the functions ascribed to it at April 2008. Additional functions and responsibilities delegated by the PCT or the council would need to be of equal proportions. At a later stage, there will need to be a decision about the extent to which the SCA would absorb the commissioning functions of other services, both across the wider Council and of the PCT. This is necessary if this initiative is not just to be seen as a DASS/Primary Care Trust organisation, rather than a Local Authority/Primary Care Trust organisation.

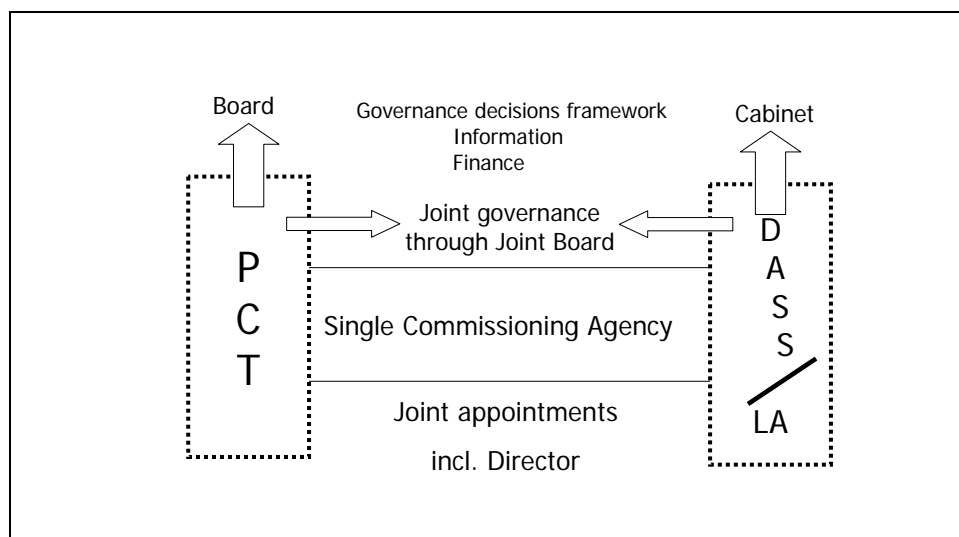
It is proposed to hold a full day workshop in December to consider a range of issues, for example governance, and to identify learning from those slightly further down the road, with a built-in legal advice session.

It is anticipated that there would, of necessity, be a service level agreement established between the SCA and Public Health in the context of ensuring active involvement and influence of the public health function in the integrated commissioning process, particularly in respect of securing the dividend of improved well-being.

4 Governance arrangements

It is suggested that the governance arrangements for the proposal based on the principles set out below:

- **Democratic governance design:** the systems of governance for any partnership should enable appropriate systems for legitimacy, comment and accountability. This requires an infrastructure that adapts from best practice criteria to meet the particular conditions of the partnership.
- **Deliberative governance design:** the process of governance design should be deliberative, engaging those groups and agencies relevant to the goals in exploring and determining the governance form.
- **Proportionality:** the governance system should be proportional to the responsibilities and risks of the partnership.
- **Balancing performance with conformance:** developing accreditation processes for assuring funders that risk was managed and would also encourage partnerships to self-assess governance.
- **Mechanisms for enabling public accountability:** partnerships should seek to provide a regular and stable process whereby its actions and its decisions can be exposed to the scrutiny of the public.



The arrangements for the SCA would be accountable to a joint Board, which in turn has lines of accountability to both the Council and its Cabinet and to the Primary Care Trust as a statutory organisation. The SCA would be founded on the principles of joint appointments, location and a single set of aims and objectives. The SCA would be managed by a joint Director, who would be jointly appointed and accountable to both the DASS and an Executive Director in the PCT.

The SCA Board would comprise members of the Cabinet, appropriate Directors and the PCT Board (non-executive and executive directors). This joint Board would reflect the interests and accountabilities of the partners in order to ensure that the full range of advice and assistance is available for the development of the SCA.

A number of relationships would need to be worked through to be sensitive to the LSP, the Local Area Agreement and other bodies. However this would be subject to the

consideration of the joint Board once it is established. It may be necessary for a number of joint subcommittees to be established once the SCA is underway.

Identifying the pooled fund arrangement to support a cluster of responsibilities identified for the SCA in April 2008 would be undertaken, subject to the approval of this proposal, and would be further subject to agreeing appropriate financial reporting mechanisms, risk management agreements, performance requirements and other appropriate rules.

Should this proposal be agreed, it is suggested that an initial meeting of a shadow joint Board is arranged for later January or early February 2008, to which detailed governance arrangements could be submitted. This would ensure that arrangements are in place for April 2008.

5 Next steps and recommendations

Subject to agreement of the steps laid out in this paper it would be proposed to:

1. Continuing with the arrangements for a knowledge exchange workshop with other councils and PCT's, with input from legal experts, to explore critical issues. This is anticipated for late November or early December 2007.
2. To develop the detailed governance model for the SCA and submit to a shadow Board meeting in January or early February 2008.
3. To continue to progress with the joint executive group to further the detailed planning for the SCA, including the identification of the contributory financial streams to establish the pooled fund (in shadow form from 1st April 2008) and its governance.
4. To ensure congruency with the other Council and PCT organisational changes underway and harmonise timings wherever possible.
5. Identify the SCA structure, staffing and impact on current arrangements and HR processes.
6. Initiate a communications strategy across the partner organisations.
7. Develop a year 1 work programme for the SCA.

The specific recommendations put to the Board/Cabinet are to:

1. To adopt the proposals contained in this paper for the establishment of the Single Commissioning Agency.
2. To agree the next steps identified above (in 5).