Oxfordshire
Clinical Commissioning Group

Oxfordshire Clinical Commissioning Group
Board Meeting

Date of Meeting: 28 January 2016	**Paper No: 16/04**

Title of Presentation: Proposals for Devolution and integrating commissioning in Oxfordshire

Is this paper for (delete as appropriate)	**Discussion**		**Decision**		**Information**	✓

Purpose and Executive Summary (if paper longer than 3 pages):

The closer integration of health and social care commissioning has been a priority for Oxfordshire Clinical Commissioning Group (OCCG) from establishment. Our aim is to support the development of integrated care for service users and this should be supported by integrated commissioning. The current model of commissioning fragments care pathways and is therefore bad for service users. The principle of re-integrating commissioning is to ensure we can commission better outcomes for our residents and deliver better value for the public purse.

This paper updates the Board of the work undertaken since November 2015.

Financial Implications of Paper:

The total budget for health and social care commissioning is in the order of £1.3 billion. If we proceed with the devolution/integration proposals this will be managed as a single budget through a new combined governance structure.

Action Required:

The Board is asked to

- Note the current position.
- Note that following engagement with member practices the Board will be presented recommendations for decision in March 2016

NHS Outcomes Framework Domains Supported (please delete tick as appropriate)	
✓	Preventing People from Dying Prematurely
✓	Enhancing Quality of Life for People with Long Term Conditions
✓	Helping People to Recover from Episodes of Ill Health or Following Injury
✓	Ensuring that People have a Positive Experience of Care
✓	Treating and Caring for People in a Safe Environment and Protecting them from Avoidable harm

Equality Analysis completed (please delete tick and attach as appropriate)	Yes	No ✓	Not applicable
Outcome of Equality Analysis			

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Proposals for Devolution and integrating commissioning in Oxfordshire

1. Introduction

The closer integration of health and social care commissioning has been a priority for Oxfordshire Clinical Commissioning Group (OCCG) from establishment. Our aim is to support the development of integrated care for service users and this should be supported by integrated commissioning. The current model of commissioning fragments care pathways and is therefore bad for service users. The principle of re-integrating commissioning is to ensure we can commission better outcomes for our residents and deliver better value for the public purse.

This paper updates the Board in terms of the work being undertaken in Oxfordshire.

2. What we are proposing

Our proposal is to join up the commissioning that is currently done by the CCG, NHS England and the County Council and create a single pooled budget of £1.3bn. In many respects this is returning the NHS to the commissioning system that was in place before the Lansley reforms; however our proposal would be to add in social care as well.

The elements we are considering are:

- Taking on **delegated** responsibility for £85m from NHS England for commissioning primary medical services from 1 April 2016
- Working with NHS England/national government to be able to take on **devolved** responsibility for all other primary care budgets and specialised commissioning. This is also about greater local accountability and closer working with all local authorities (county, city and districts) around planning, infrastructure and housing.
- **Integrating** our NHS commissioning responsibilities (budget £700m) with those of the County Council for social care and public health (£270m)

3. Delegated Commissioning

Delegated commissioning gives CCGs an opportunity to develop a more holistic and integrated approach to improving healthcare for local populations. It gives CCGs an opportunity to further improve out-of-hospital services provision. By aligning primary and secondary care commissioning, it also offers the opportunity to develop more affordable services through efficiencies gained. Our Expression of Interest to take on delegated responsibility for commissioning of primary care medical services has been approved by NHS England**.** This means that subject to approval by our GP practice membership and the Board we would take on these responsibilities from April 2016.

We will receive a copy of the Delegation Agreement in January 2016. There is standardised set of primary medical functions for delegated arrangements that will be set out in the delegation agreement and CCGs should not seek local variations.

Over the next 2 months we will be undertaking the following pieces of work:

- Seeking agreement of member practices
- Undertaking a review/due diligence of the primary care allocation we
- Reviewing the delegation agreement
- Participating in NHSE webinars and training session
- Revising our governance structure to reflect the change from joint commissioning to delegated responsibilities

4. Devolution

4.1 National landscape

The Cities and Local Government Devolution Bill was debated for the last time in the Lords on 12 January 2016 and is now awaiting Royal Assent, which will make it law. The date for Royal Assent has not yet been set.

The Lords this week approved a new schedule to the bill which would enable a less radical version of devolution and would enable NHS organisations to share NHS responsibilities with local government as part of new 'devolution' deals without having to give up ultimate accountability. The schedule amends the 2006 Health Act to enable NHS functions to be delegated to combined authorities, without a full transfer of responsibility needing to take place. Instead, functions such as the responsibility for commissioning a set of NHS services could be shared with a combined authority, but with clinical commissioning groups or NHS England remaining ultimately accountable.

The new section of the bill effectively gives local areas a new option for creating devolution arrangements, which goes further than current legislation allows, but is less extreme than fully transferring NHS functions to local authorities – as is still permitted under other parts of the bill, which were debated in parliament last year. This effectively gives three options to local commissioners seeking to integrate health and social care via devolution: using existing powers; full transfers from the NHS to councils or combined authorities; and the new delegation and sharing arrangements approved this week.

As there will be no formal transfer of powers to local or combined authorities [under the new section of the bill], this could be seen as delegation rather than devolution. In practice, there will be little stopping NHS bodies from taking back control if local circumstances change.

This approach is in line with the preferred parameters set out by NHS England.

While full transfer of health functions to councils and combined authorities will still be permitted under the bill, a further new addition to the legislation will mean it will be possible for ministers to revoke these transfers.

Other amendments clarify that the full extent of regulatory oversight for NHS functions – including those exercised by NHS England – will still apply in devolution areas, whichever of the three options are chosen.

4.2 *Local position*

Discussions are continuing between the Local Authorities, Local Enterprise Partnership and the CCG to develop the proposals.

5. Integrating NHS and County Council commissioning

We are proposing to do this in stages. The first stage is ensuring we are maximizing our use of the current legislative framework. We already have pooled arrangements (including financial risk sharing) with the County Council which includes £146m of our funding and £184m of funding from adult social care. These are managed through complex systems of joint groups but ultimately the decisions about social care funding and services are made by the County Council cabinet; for example the proposals about cuts to services were developed within the County Council not through the joint groups and the decisions will be made by the Cabinet.

The first step to integration would be to strengthen these arrangements by:

- Bringing together all commissioning staff in a single management structure
- Strengthening the overall governance and decision making processes by increasing clinical input to the Health and Well Being Board
- Reducing duplication of decision making and accounting processes
- Whilst taking an overview of all the available funding the CCG and County Council would remain responsible for their own financial position with a ring fence around the aligned budgets

These arrangements would essentially give us the opportunity to run this in “shadow form” and would enable us to change things or stop doing it if it was not working.

We have established a joint Steering Group to oversee the work required to move this forward. The Chief Executive and Director of Governance are the CCG leads for this work and both sit on the Steering Group. We are in the process of establishing the detailed work streams covering areas such as

- Governance including decision making and finance
- Functions
- Staffing
- Infrastructure

6. Financial Considerations

6.1 Allocations and place based budgets

As summarised in paper 16/02 our revenue allocation has been set for three years and is also moving towards a place based budget. The place based budget includes primary care medical and specialised commissioning. Looked at in isolation our CCG allocation is still under-target but as both primary care and specialised commissioning are over target the total place-based allocation is at target. This impacts on growth levels from 2017/18.

In order to drive forward our strategy of moving care closer to home we need to be able to influence the whole of the place based budget. The spend on specialised services for our population is over £200m and is deemed to be £31m over target. Whilst at the moment we cannot have delegated responsibility for specialised commissioning NHS England have indicated that any savings made in this area will be shared 50/50 with local CCG commissioners.

At the moment the allocations for other primary care services (pharmacy, dentistry and optometry) are not included in the place based budgets and under current legislation these cannot be delegated to us. Our ask of government in the full devolution proposal is that we get control of these budgets.

6.2 Pooled budgets

We currently have four pooled budgets with the County Council that combine £146m of the OCCG budget with £184m (gross) of the Adult Social Care budget. AS highlighted in section 5 the first phase of the work on integration of commissioning is focusing on making the arrangements to manage these pools work better; this includes considering making it a single pool and changing the governance/decision making arrangements. In the first phase there will be no change in financial risk to the CCG. As part of the detailed discussions about taking this forward the CCG should also consider whether there are other areas of the budget where it would makes sense to include it in the pool.

7. Engagement with member practices

The Clinical Chair and Chief Executive have shared two briefings with member practices highlighting what is proposed, why we are considering this and addressing some of the questions raised. In addition this has been discussed at the Locality meetings; either the Clinical Chair or Chief Executive will have attended all Locality meetings in either January or February.

In February/March member practices will be asked to confirm support for the changes in commissioning arrangements and this will then be presented to the March Board meeting for decision.

The Board is asked to

- **Note the current position**
- **Note that following engagement with member practices the Board will be presented recommendations for decision in March 2016**