

**Report for:** Health and Wellbeing Board – 8 December 2016

**Title:** Section 75 Agreement – Lead Commissioning Arrangements

**Organisation:** Haringey Clinical Commissioning Group and Haringey Council

**Lead Officer:** Rachel Lissauer (Director of Commissioning Haringey Clinical Commissioning Group) and Charlotte Pomery (Assistant Director Commissioning Haringey Council)

## **1. Describe the issue under consideration**

- 1.1 At its September meeting, the Health and Wellbeing Board received a report on the proposal by Haringey Council (the Council) and Haringey Clinical Commissioning Group (the CCG) to implement a model of commissioning and pooled budgets supported by a partnership agreement under S.75 of the National Health Services Act 2006. The Cabinet of the Council and the Governing Body of the CCG agreed the partnership agreement later that month and partners have been working on the detail to enable lead commissioning and pooled budgets for specified care groups to be in place by April 2017.
- 1.2 As previously notified, the partnership agreement will act as a framework and is designed to enable schedules to be added for other care groups, across all areas of the Council and CCG's activities, as required.
- 1.3 The Health and Wellbeing Board will maintain its statutory role and have strategic oversight of the integration and partnership arrangements delivered through the s. 75 Partnership Agreement and this report is brought to the Board for an update on the development of these arrangements.

## **2. Recommendations**

- 2.1 The Health and Wellbeing Board is asked to note the work underway to ensure the following arrangements can be in place from April 2017:
- 2.1.1 Lead commissioning and the establishment and maintenance of pooled fund for the commissioning of learning disability services for eligible adults resident in Haringey;
- 2.1.2 Lead commissioning and the establishment and maintenance of a pooled fund for the commissioning of mental health services for eligible adults resident in Haringey;
- 2.1.3 Lead commissioning and the establishment and maintenance of a pooled fund for the commissioning of long term conditions and older people's services, including those services identified in the Better Care Fund 2016/17, for eligible adults resident in Haringey;

2.1.4 Joint commissioning and the establishment and maintenance of a pooled fund for the commissioning of children and adolescent mental health services for the residents of the London Borough of Haringey;

2.1.5 Lead commissioning and the establishment and maintenance of a pooled fund for the commissioning of the Independent Domestic Violence Advocacy Service and the Identification and Referral to Increase Safety Service for eligible adults resident in Haringey.

### **3. Timings**

3.1 The Council and the CCG are carrying out significant work in order to set in place lead commissioning and pooled budgets arrangements by April 2017.

#### **3.2 Lead commissioning**

3.3 The Council and the CCG are together working up a commissioning structure to support lead commissioning arrangements in Haringey as agreed from April 2017. This structure is being developed by partners mindful of the thinking shaping other areas of joined up working between health and local government, such as the Accountable Care Partnership across Haringey and Islington and the implementation of the Sustainability and Transformation Plan across North Central London.

3.3 The lead commissioning arrangements will be supported by commissioning specifications for each care group areas which have been developed jointly in light of both national and local policy requirements and in light of the demand and financial pressures facing local provision.

3.4 The roles of the lead commissioners are to:

- a) Understand and respond to the need and demand in the local health and care economy
- b) Lead on the development of the strategic commissioning intentions of the Council and the CCG, reflecting these in all service specifications
- c) Ensure the sufficiency and quality of market provisions to meet need
- d) Contribute to the transformation and re-design of services in line with the agreed strategic commissioning intentions
- e) As pooled fund manager, manage the pooled budget to support and enable the strategic commissioning intentions
- f) Deliver savings as set out in the Council's Medium Term Financial Strategy and the CCG's Quality Improvement and Performance Plans.

#### **3.5 Pooled budgets**

3.3.1 Since agreement in September to pool budgets between the CCG and the Council, work has been underway to put in place the required arrangements and

assurances. This work is being undertaken jointly by finance and commissioning officers from both the CCG and the Council in full cognisance of the financial pressures facing both the NHS and local government. It is fully aligned with the budget setting and savings preparation processes for each organisation.

- 3.3.2 As previously notified, the scope of the pooled budget is all spend in the area whether preventative and community based or secondary and acute based, whether for public health, social care or continuing health care. The agreement is that, rather than gradually pooling different elements of budget, all spend on a particular care group is included in a pooled budget and that ring fences and aligned budgets continue to exist within the overall pool until it is possible to lift the ring fences and to create genuinely pooled budgets with fluid spend on health, public health and social care interventions as required by need and demand.
- 3.3.2 Partners are working within the risk share agreement which forms part of the body of the s. 75 Partnership Agreement and covers how the CCG and the Council will set the initial budgets to be pooled, deal with over and under spends and specify how any savings or cost efficiencies will be achieved.
- 3.3.3 Aligned to this process, partners are building their budgets for 2017/2018 (and beyond) and their savings proposals in light of demand and resource constraints over the coming years. It is acknowledged that whilst pooling budgets between the CCG and the Council enables greater flexibility in meeting health and care needs in a joined up way, it also reduces the scope for the CCG and the Council to manage their own budgets autonomously as risks are mitigated and action is taken to reduce spend within the partnership and any savings generated are applied first to the pooled budget arrangements.
- 3.3.4 The endorsement needed to move from an aligned budget to a fully pooled budget sits with the Joint Finance and Performance Partnership Board (the Partnership Board). The draft baseline budgets for pooling and the draft Joint Savings and Investment Plan are being presented to the Partnership Board in December, as agreed, based on a clear and accurate understanding of activity, performance, costs and demand over the previous period.
- 3.3.5 The first issue for consideration is the baseline for the budgets to be pooled and it will be necessary to demonstrate to the Partnership Board both that demand and upward cost pressures on budgets in the pooled arrangements have been adequately reflected in the budget setting process where possible and that outstanding pressures are quantified, do not create cross-subsidy via the risk share, and have robust savings plans in place.
- 3.3.6 The second issue for consideration is the Joint Savings and Investment Plan which sets out not only how savings led by each of the CCG and the Council previously will be brought together but also how the pooled budget will deliver further savings by operating more efficiently and effectively to address need and manage demand.

- 3.3.6 The Partnership Board will review plans and will recommend the budgets and joint savings plans to the Cabinet and Governing Body for their approval as part of the budget setting process.
- 3.4 This report offers a brief insight into the work being undertaken by the CCG and the Council to deliver lead commissioning and pooled budget arrangements by April 2017. Whilst significant progress has been made, there is a lot of detail to work through together and a programme of actions yet to be concluded to ensure all assurances and processes are in place for both organisations as set out in the s. 75 Partnership Agreement. Further updates can be furnished to the Health and Wellbeing Board as required.