

# Leeds Health & Wellbeing Board

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**Report of:** Rob Goodyear, Director of Commissioning (Partnerships and Performance), NHS Leeds North CCG and Chris Dickinson, Head of Commissioning and Market Management, Children's Services, Leeds City Council

**Report to:** The Leeds Health and Wellbeing Board

**Date:** 20 October 2016

**Subject:** The Leeds approach to commissioning and decommissioning

Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

## Summary of main issues

In September 2016, the Leeds Health and Wellbeing Board agreed their principle role in overseeing the financial sustainability of the Leeds system, operating as one organisation around a shared vision, and spending the Leeds £ wisely to drive change across the local health and care system.

Strategic oversight of the Leeds £ requires all members of the Health and Wellbeing Board to be equipped with a sound understanding of our approach to commissioning and decommissioning in Leeds. This must be considered in light of the financial context and pressures that have already been brought to the attention of the Board<sup>1</sup>.

This paper acts as an introduction to the current approach to commissioning and decommissioning in Leeds. It also details existing joint arrangements and further progress made towards a shared approach, highlights commonality and difference where possible, and asks the Board to provide the strategic direction for future progress.

NHS England has a commissioning role within Leeds, both as a key commissioner of services from LTHT and also as co commissioners of Primary care with the three CCG's. The co commissioning arrangements for primary care have been established and are a further example of successful integrated and aligned commissioning of significant local services.

## Recommendations

The Health and Wellbeing Board is asked to:

- Consider whether the current approach and future steps adequately support the vision and role of the Board

<sup>1</sup> Please see the [Leeds Health and Wellbeing Strategy 2016-2021](#) and [item 11](#) (Sustainability and Transformation Plans) of the 6 September 2016 Health and Wellbeing Board meeting

- Identify any further opportunities to progress towards a shared approach to commissioning and decommissioning
- Provide strategic direction for future progress towards a shared approach to commissioning and decommissioning
- Take learning from best practice within the system and apply to future decision making
- Support the Integrated commissioning executive to set system priorities for shared challenges and testing further integrated commissioning models

## **1 Purpose of this report**

This report does not seek to outline what is commissioned in Leeds. Nor does it aim to provide details of any contracts or services. Rather, this paper is a means of introducing the planning processes, exploring the 'Leeds approach' to commissioning and decommissioning in its current form. This includes some areas where integration between organisations has begun, where there is a similar or common approach taken, and where there are differences in approach. Where appropriate or possible, the paper will also explore future ambitions or work already in motion.

The Board is asked to consider this report in the context of the health and care financial pressures, which the Board is already well sighted on. The report seeks to be open and transparent about existing work and provides the Board with an opportunity to shape future developments to ensure that the city is well placed to deal with the financial challenges we face now and in the months and years to come.

### **1.1 Why explore a Leeds approach to commissioning and decommissioning?**

The development of a Leeds approach aims to improve outcomes for service users, maximise the use of resources, ensure best value, use co-production, and develop and support an enterprising and resilient provider market in Leeds. A shared approach also enables the impact of commissioning and decommissioning to be understood across the system, with better preparation and reaction to change.

The Leeds Health and Wellbeing Strategy 2016-2021 sets out the Health and Wellbeing Board's relentless focus on reducing health inequalities and creating a high quality and sustainable health and care system in our city. Therefore, the gap in funding for health and care will need to be addressed while ensuring that Leeds citizens continue to receive safe, high quality accessible services. The Health and Wellbeing Board must be confident that commissioning activity and contracting approaches of the collaborative commissioning teams in Leeds are delivering efficiencies from core budgets and making use of best practice.

## **2 Background information**

For the past few years, the health and care community in Leeds has been working collectively towards creating an integrated system of care and commissioning that seeks to wrap care and support around the needs of the individual, their family and carers and helps to implement our shared vision for Leeds, as set out in our Leeds Health and Wellbeing Strategy.

We have developed the concept of the 'Leeds Pound (£)', which describes our collective resources across the health and care system. The Leeds £ helps move the system towards a shared responsibility for the financial challenge and create a

sustainable high quality health and social care system fit for both the current and the next generation.

At the September 2016 meeting of the Health and Wellbeing Board, a governance update<sup>2</sup> tasked the Partnership Executive Group (PEG) with implementing the Leeds Sustainability and Transformation Plan (STP), which sets the ambition for addressing the 3 gaps in the health and care system: the finance gap; the care gap and the inequalities gap. The Third Sector has had the opportunity to engage with the development of the Leeds STP through systems leadership events and through the representation on the Leeds Health and Wellbeing Board.

Commissioning language can be complex, so a glossary is included at appendix I to explain common terms found within this report.

## 2.2 Clinical Commissioning Group and Leeds City Council approaches

Planning	
NHS Leeds CCGs	Leeds City Council
<p>NHS England sets out a national approach to planning. This requires all CCGs to engage in a top-down planning process that can deliver signed contracts with main NHS providers prior to the start of a new financial year (running April-March).</p> <p>The Leeds CCGs are required to re-assess their commissioning priorities on a yearly basis and allocate funds appropriately to meet national and local healthcare needs. This must be done in accordance with NHS England (NHSE) guidance and follow a yearly planning cycle.</p>	<p>Leeds City Council seeks a consistent approach to commissioning / decommissioning across directorates throughout the commissioning cycle (Analyse, Plan, Do, Review) and efficiency when working with providers who provide services across different directorates.</p>

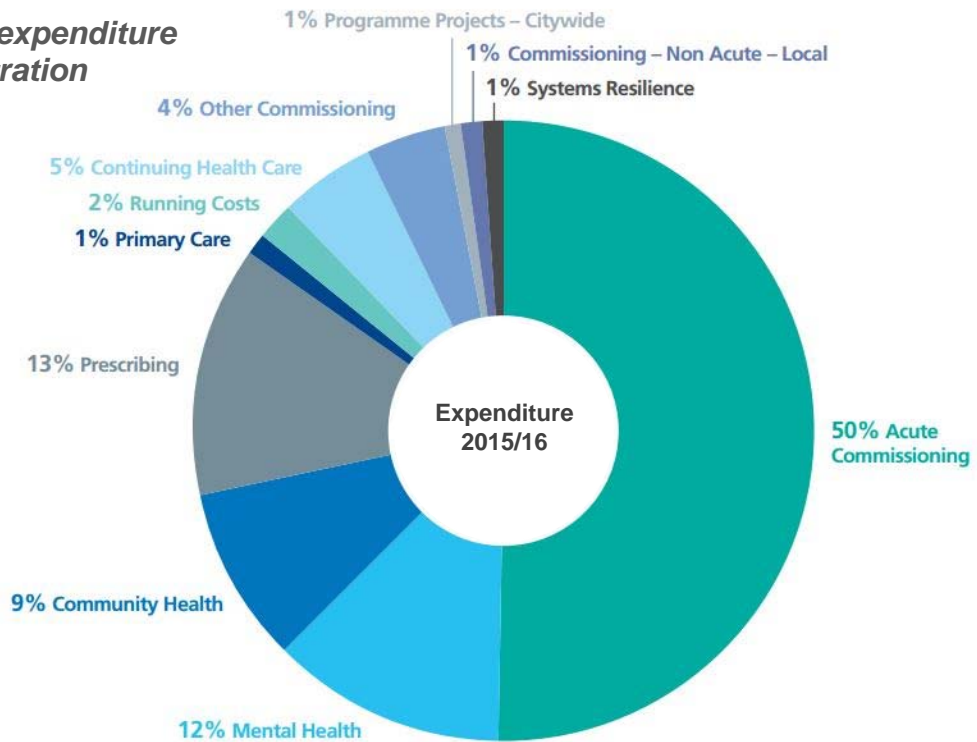
Budget setting	
NHS Leeds CCGs	Leeds City Council
<p>Much of the CCGs' expenditure has been "allocated" by NHS England guidance. As a starting point, CCGs are required to purchase services from our major providers such as NHS Leeds Teaching Hospitals Trust (LTHT), NHS Leeds and York Partnership Foundation Trust (LYPFT) and NHS Leeds Community Healthcare (LCH) based on the previous year's demand. Additionally NHS England may add further requirements such as an additional investment in Mental Health regarding Parity of Esteem. A pie chart is included below from 2015/16 for illustrative purposes.</p>	<p>The Local Authority annual budget is set by the Executive Board of the Council in January/February each year. This is informed by the Chancellor's Autumn Statement and any previous changes to local authority income. However, LCC attempts to plan its budget setting longer term than one year (though the recent pace of reductions to the budget has made this more difficult). Below is an example high-level timeline for LCC budget setting.</p> <p>Within LCC a substantial amount of each Directorate's budget is spent on commissioned</p>

<sup>2</sup> [6.09.16 Health and Wellbeing Board report pack](#)

2017-18 sees a national change in the prices we pay for services. These planning requirements together with other financial requirements, such as maintaining a surplus, reduce the percentage of money available for decisions to commission additional services to singular percentage terms. 2016/17 planning guidance and business rules further removed the 1% local commissioning monies and reduced the 4% other commissioning monies.

services and that this has grown significantly with the reduction in directly provided services (particularly within ASC, where the commissioned budget is 85% of the total budget). The total commissioning budgets of Environment & Health, Children's, Adult Social Care (including Learning Disabilities Pooled Budget), and Public Health were £294m in 2015/16. This includes £102m spend on the Third Sector.

**NHS Leeds CCG expenditure 2015/16 (for illustration purposes)**



**High-level timeline for LCC budget setting**



## Decision making

### NHS Leeds CCGs

The three Clinical Commissioning Groups in Leeds have a shared commissioning process, which is detailed in the diagram at appendix II. This process commenced in 2016 for services commencing in 2017/18. It is anticipated that national requirements for the 2017/18 planning round are part of a 5 year process that is aligned to the delivery of the Leeds Sustainability and Transformation Plan (STP).

Given the complex nature of the commissioning process and the importance of standardisation and fairness between CCGs, a clear process for collection, analysis and approval of these commissioning plans is required.

Therefore, as well as the shared commissioning process, the three NHS CCGs in Leeds have developed a 'service change/commissioning for value' toolkit, building on good practice nationally and the principles of Leeds Adult Social Care commissioning and decommissioning guidance. This toolkit has been developed to support all commissioners, managers and clinicians working within the Leeds healthcare system to understand when and why to consider a material service change and/or the decommissioning of a service. The toolkit also details the governance and processes to be undertaken when developing the business case to take forward that change.

The toolkit, its templates and governance process are to be used for any NHS saving or efficient change to the Leeds £, whether that is towards the Leeds STP or CCG Quality, innovation, productivity and prevention (QIPPS). It advises on the circumstances under which commissioners should consider pathway redesign, service redesign or decommissioning.

### Leeds City Council

Commissioning/de-commissioning decisions are driven by the overarching strategic plans of the city, including the Leeds Health and Wellbeing Strategy, Best City Plan, Leeds Children and Young People's Plan and, where appropriate, by specific joint local plans supported by joint boards.

The Council has adopted a whole lifecycle approach, articulated through 'Commissioning for Better Outcomes', which although focussed on Adult Social Care, has a strong resonance across directorates commissioning 'people services'.

This is supported through procurement via a 'category management approach'. All categories work to common principles and rules, but outputs are tailored to meet the needs of the specific category, reflecting the service area, stakeholder needs and the market place, to ensure quality outcomes and value for money are achieved. Relevant purchasing also may be grouped together to improve quality, savings and efficiency.

Specific commissioning decisions follow the Local Authority's rules and procedures, using the Council's Executive Board, Delegated Decisions, and Administrative Decisions, Equality Impact Assessments and Executive Member briefings where appropriate. Where decisions result in the de-commissioning of services, a de-commissioning tool kit is used. This is a detailed plan of the work needed to be taken to safely and effectively de-commission any service, including close working with the relevant provider.

## Commissioning to meet partner priorities

Commissioning teams often lead on certain areas of commissioning, but there is a clear understanding that these services will often contribute to a range of city priorities. Therefore, it's important that we take account of this as part of the commissioning cycle.

As an example, the commissioning of drug and alcohol treatment services was led by

commissioners in Public Health with a priority for promoting recovery from substance misuse, but the service was specified to meet other commissioner's priorities. Children's services sought to have care leavers and parents with children under the age of 2 targeted, while the CCGs' priorities were linked to a reduction in harm caused by alcohol misuse. Adult Social Care identified safe referrals to residential rehab as essential and Environment and Housing required appropriate services for offenders requiring treatment for opiate usage. A process of consultation led by Public Health commissioners ensured that all of these priorities were addressed as part of the new service.

## Governance

### NHS Leeds CCGs

The Planning Implementation Group (PIG) runs throughout the year and any commissioning intentions or disinvestments brought forth, regardless of the time of year, are to be brought to PIG for approval. A Leeds City Council commissioning representative has recently been invited to join this Group. Given that plans will involve changes to contracts upon completion they will be forwarded to the Commissioning For Value Group for sign off.

The Health and Wellbeing Board is sighted on NHS commissioning intentions to ensure that they take proper account of the Leeds Health and Wellbeing Strategy.

Any commissioning decision will need to take account of likely views of commissioning partners, notably Leeds City Council and NHS England, in role as Co-Commissioner, and other Clinical Commissioning Groups (if the proposal is likely to have cross border issues). Commissioners need to consider likely political implications of any decision and likelihood of support from elected council members. The perspective of patients, public, carers, providers, primary care and clinicians is also taken into consideration. All engagement work and perspectives analysis is captured in a stakeholder dimensions checklist and must be submitted with proposals.

A commissioning dimensions checklist, based on the CCG prioritisation framework, is used to assess each case for change in a standardised

### Leeds City Council

Chaired by Councillor James Lewis, a cross-directorate Corporate Strategic People Commissioning Group has been established to oversee commissioning activities across LCC and make recommendations to improve outcomes and align priorities. It is supported in its work by the People Commissioning Operational Group.

These groups have already delivered improved outcomes and change as part of both individual directorate and joint plans including, establishing a single contracts register for all Directorates, stream-lining of commissioning structures, Pooled Budgets between LCC and the 3 CCGs<sup>3</sup>. Commissioning related Project Boards have been consolidated into a new cross-directorate People Commissioning Operational Board, directly responsible to the Corporate Strategic People Commissioning Group, driving joint/integrated commissioning to realise savings in commissioning.

There has been increasing co-ordination through joint boards such as the Learning Disabilities Board, Mental Health Board, Carers Strategic Board and Dementia Board, and recently the Joint Adult Community Commissioning Group (JACCG) – which both coordinates commissioning activity across ASC and CCG's but also acts as the Better Care Fund sub-group for the Third Sector pot.

LCC, CCGs and Third Sector are working to agree a Social Value Charter<sup>4</sup> for Leeds, setting

<sup>3</sup> learning disability (£77m), community equipment (£4m), South Leeds Independence Centre (£4m), Better Care Fund (£59m)

<sup>4</sup> The Charter itself and a 4 page guide – which includes examples of how to implement it – are available at: <https://doinggoodleeds.org.uk/socialvaluecharter.html>

way. All commissioners are expected to provide detail for each consideration and submit with a case for change. This enables those reviewing the proposals an insight into rationale and potential impact of proposed changes.

out our shared ambitions to promote social responsibility, build social capital and deliver social value, in support of the vision for Leeds to be a healthy, fair, compassionate and caring city where everyone benefits from the city's economic growth. The Charter has now been signed off by LCC and key partners, including CCGs, the Universities and the Chamber of Commerce.

### **Adult Social Care**

Adult Social Care (ASC) publishes a Market Position Statement<sup>5</sup>. This is produced every few years, but updated through the year, and is aimed at all providers and potential providers, and outlines ASC's broader current position and commissioning intentions.

### **New work to address numbers of children entering care with GPs**

Recent research highlights that 10% of GP practice locations support approximately 50% of those children who were taken into care or became subject to a child protection plan last year.

An outcome based accountability session has been used to bring together GP Practices, Children's Social Work Service, Clusters and representatives from other organisations to help shape our citywide response to this research. The aim is to work closer together to ensure services better prevent and respond to the needs of parents who we know are at risk of both current and future state intervention.

## **2.3 Third Sector**

There is blurring between the Third Sector and Independent Sector, as the Third Sector is increasingly assuming a commissioning function.

### **Plans**

The City aims to have a sustainable, diverse third sector economy, with organisations from the smallest self-help group through to larger, local and national service providers and the ambition is to use the Leeds £ to invest in a local infrastructure that has a legacy beyond the life of any single funding programme.

Adult Social Care, Public Health, and Children's Services and Clinical Commissioning Groups commission a number of third sector organisations independently of each other, with priorities set through contract arrangements and the quality and outcomes measures reflecting local needs. The plans, which are derived from Leeds Health and Wellbeing Strategy 2016-2021, national guidance and local population needs, are then shared across organisations using existing partnership structures.

Changes in investment patterns by LCC commissioners have seen a move from short contracts of 2-3 years with individual providers to contracts of 5 years and longer with more services being delivered by consortia. For example the Forward Leeds drug and alcohol treatment procurement, which brought 18 different contracts into one new integrated service.

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<sup>5</sup> ASC Market Position Statement,  
<http://www.leeds.gov.uk/docs/Market%20Position%20Statement%202015-18%20V02%20June%202016.pdf>

## **Process**

This year, Scrutiny Board (Adult Social Services, Public Health, NHS) conducted an inquiry into the Involvement of the Third Sector in the provision of Health and Social Care Services across Leeds. The Commissioning, NHS Provider and Third Sector partners who contributed to the Scrutiny Inquiry welcomed the report, which provided a fair overview of the commissioning arrangements, partnership working and organisational relationships between the statutory and third sector partners already in place and highlighted the positive work happening in the city, whilst also identifying areas for further development. The responses to the specific recommendations are now being worked on by partners and they are sharing the report and recommendations within organisations, and also across partnership structures, most notably the Third Sector Partnership, to inform wider strategic plans in regard to third sector development.

There is strong evidence of co-production and joint working when reviewing Third Sector services or contracts. For example the recent recommissioning of housing support and domestic violence services have use an Outcomes Based Accountability (OBA) approach to engage service users, third sector providers and other partners in discussions about how best to address changing patterns of need and service demand in the city. This approach helps to ensure Third Sector organisations are jointly involved in identifying local priorities and solutions.

The Third Sector Partnership, chaired by Councillor Coupar, ensures Third Sector representatives meet with the Council and the Clinical Commissioning Groups' commissioners to discuss the shared commitment to maintaining and developing a thriving third sector.

Joint Boards (as mentioned previously) provide strong engagement with the sector and are supported by commissioners working with 'Forum Central' This is the overarching Health and Well-Being Third Sector Network, jointly commissioned by the CCGs and Adult Social Care.

## **2.4 Deputy Director of Integrated Commissioning**

The recruitment process has begun for a Deputy Director of Integrated Commissioning, a post designed to bring Adult Social Care and NHS commissioning closer together. This will be a shared post, jointly accountable to LCC Adult Social Care Services, Leeds North CCG and Leeds South and East CCG. The post-holder will report to the Director of Adult Social Services and the Chief Officers for Leeds North CCG and Leeds South and East CCG, but will act on behalf of and in support of all three Leeds CCGs in accordance with the collaborative commissioning memorandum of understanding between the CCGs.

## **3 Main issues**

Despite some great progress, the complex commissioning landscape demonstrates difficulties inherent in coordinating a system of individual organisations and sectors. This creates a number of challenges and ambitions, which are explored below.

### **3.1 Principles for commissioning and decommissioning**

Commonality can be found in the principles for decommissioning outlined in both CCG and LCC decommissioning toolkits.



The CCG 'Commissioning for Value' toolkit outlines a process to ensure commissioners embed the following principles for decommissioning:

- All decommissioning proposals should be based on tangible evidence
- Impact on stakeholders has been considered and where necessary have been consulted before the decommissioning decision is made
- Detailed consideration must be given to the broad-ranging impact of the decommissioning proposal
- Provider must be engaged as early as possible to allow time to adjust to the proposal
- All proposals must consider particular impact on Primary care providers
- All teams must support colleagues in the provision of data and information

Within the LCC decommissioning toolkit, the following areas must be evidenced and considered in particular:

- Financial requirements
- Political perspective
- Needs of services users
- Perspective of parents and carers

LCC commissioning decisions are also guided by the framework for Better Outcomes, which has nine standards for good commissioning:

- Person centred and focused on outcomes
- Co-produced with service users, their carers and the wider local community
- Well led
- A whole system approach
- Uses evidence about what works
- A diverse and sustainable market
- Provides value for money
- Develops the workforce
- Promotes positive engagement with providers

All commissioning partners in Leeds have signed up to the Compact for Leeds which sets out the following seven principles to guide public and third sector working partnerships in order to deliver the best possible outcomes for the people of Leeds:

- Working together
- Involving communities
- Sharing information
- Allocating resources
- Building communities and third sector capacity
- Promoting volunteering
- Promoting equality, fairness, good community relations and equality of outcomes for all

A key aspect of this is a commitment to offer six months of notice on decisions to reduce investment or end contracts with the Third Sector. Commissioners in Leeds City Council have been working hard to meet this objective, however the timing of recent cuts to local authority funding following the annual autumn statement have not always provided enough time to achieve these intentions. To help address this uncertainty, commissioners seek to have an early and open dialogue with Third Sector Providers about the issues impacting budget decisions. The Compact is currently being refreshed in a piece of work overseen by the Third Sector Partnership.

### **3.2 Budget reductions**

A key barrier to developing significant programmes of joint investment is a backdrop of significant budget cuts. Shrinking resources means there is little investment available to pilot new areas of joint working. This makes the discussions about aligning budgets an even greater priority, but it also makes the process much harder as commissioners are being forced to make tougher decisions about how to respond to service needs.

### **3.3 Misalignment of Commissioning Cycles:**

CCGs and Local Authority have very different commissioning cycles, with NHS contract decisions being confirmed on an annual basis while Leeds City Council generally renewing investment decisions every three to five years. This is partly due to differences in budget setting arrangements, but it also reflects the differences in provider markets and procurement rules.

Leeds City Council has moved away from annual contracts, responding to the need to create a diverse and stable provider base, with contracts being generally 3-5 years. LCC also contracts with hundreds of different organisations across the Third and Independent Sector, varying enormously in size, from major national providers to small and medium and even micro enterprises. Whereas CCGs tend to commission services from much larger NHS trusts and often do contracts/grants for just one year with the Third Sector.

Within LCC, annual budget setting processes can misalign with commissioning, as each contract has its own commissioning cycle based on the starting date and length of the contract. This can mean directorates re-negotiating the value and specification of contracts mid-contract due to budget pressures, as well as potentially setting a new contract value and service model/specification at the start of any re-commissioning exercise.

### **3.4 Procurement Rules**

Procurement rules for Local Authorities mean that services funded by Leeds City Council are more likely to be subjected to competition, usually through a review and tender process which is resource intensive and can only be justified with longer contracts.

### **3.5 Different Provider Markets**

While there is some crossover, CCGs and the Local Authority have some differences in traditional providers markets. CCGs often commission with large health trusts and LCC commissioning with a mix of partners from which the third sector is prominently represented. These differences in provider markets limits the scope for service re-modelling and requires more fundamental changes to service design when considering joint-commissioning opportunities.

### **3.6 Integrated Services**

There is a growing trend in Local Authority commissioning to award larger contracts for integrated services rather than several small contracts to individual providers. This is driven partly by the desire to remove service barriers and support improved service users outcomes. And while this approach has been successful in helping to find

savings through reduced overheads, there is a belief that this approach is less favourable for smaller or more specialist third sector organisations who may struggle to successfully tender for large integrated services on their own. Commissioners have sought to offer support to develop consortia and to develop the capacity of organisations to bid for larger contracts.

There needs to be more of a focus this year and in future years on disinvestments, QIPPs and how services can be commissioned or delivered differently, utilising Right Care Guidance and Commissioning for Value toolkits. From a partnership perspective the CCGs are keen to learn from partners who have experience of undertaking this process and the challenges that any changes in re-commissioning services presents.

### **3.7 Workforce**

Nationally and locally there is growing interest in commissioning for outcomes, driven by ambitions to deliver new models of care in the Five Year Forward View. The three CCGs are exploring how the workforce might need to be re-aligned to facilitate effective commissioning for outcomes.

For Leeds City Council (LCC), an audit has been undertaken against the revised version of 'Commissioning for Better Outcomes' national standards<sup>6</sup>. The audit showed that it would not be effective to merge all the different commissioning teams into one structure, as there was a significant danger of losing the required specialist knowledge associated with commissioning complex people services. This knowledge this is vital in the context of the need to reduce costs, stimulate and support a broader market, reduce LCC direct delivery, and strengthen links with NHS Commissioning and Localities.

It is likely that a staffing review will need to be undertaken by the Deputy Director of Integrated Commissioning to ensure best use of Leeds £. It is hoped that all staff would eventually be based in one building to create a city-wide hub for integrated commissioning. This Integrated Commissioning Unit will ultimately contain the following lead functions:

- Integrated commissioning strategy for the portfolio
- All of adult social care commissioning: i.e. older people's services, mental health, learning disabilities, physical disabilities, carers
- All ASC contracts management and quality surveillance functions
- ASC Project Management Office – service development function
- The NHS collaborative commissioning functions for dementia, learning disabilities and mental health, Better Care Fund, and community beds
- Transformation of services in accordance with agreed city wide strategies and emerging new models of care
- LNCCG Mental Health and Learning Disabilities contracting and performance management/ partnership working
- Market development within the portfolio
- Linking to System Resilience Group and wider resilience functions including Emergency Preparedness, Resilience and Response (EPRR) and Business Continuity (linking with Public Health)

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<sup>6</sup> This is a nationally validated tool created by the University of Birmingham and advocated by the Association of Directors of Adult Social Services (ADASS), the Department of Health and Think Local Act Personal (group of over 30 national partners committed to real change in adult social care).

- Management for shared budgets as appropriate and associated with the portfolio

The phasing of the work is anticipated to be as follows, where the phasing may be concurrent or overlapping and is subject to change as system thinking develops:

Phase	Action
Initiation	Development of an Integrated Commissioning Strategy including establishment of a Memorandum of Understanding and appropriate governance arrangements
Phase 1	Full integration of Learning Disabilities commissioning and resourcing (this may precede the appointment)
Phase 2	Integration of EPRR and Business Continuity linking with Public Health to ensure optimal shared use of resources to maintain the system and respond to pressures
Phase 3	Integration of System Resilience commissioning and response (building on existing work of the SRG)
Phase 4	Integration of Mental Health commissioning (preparatory work underway in accordance with previous papers to ICE)
Phase 5	To explore concepts of Integration of Older People's and Carers commissioning
Phase 6	To explore concepts of Integration of Urgent Care commissioning

### 3.8 Integrated Commissioning Executive (ICE)

Chaired and attended by partners from Leeds City Council and the NHS, ICE provides a forum for commissioners from organisations to discuss and share their plans for making the best use of the collective resources, agree joint priorities and to inform decision making. ICE has previously agreed to work towards an integrated commissioning budget for mental health and work associated with developing this capability. ICE has the authority to make investment decisions about the delivery of the Leeds STP.

While the group is well placed to lead significant programmes of joint commissioning, there are challenges in realising the full potential of this partnership which commissioners are seeking to overcome, including:

- Differences in commissioning cycles which makes it difficult to align decision making (explored further in section 3 of this report)
- Differences in traditional providers markets, which limits the scope for service re-modelling and requires more fundamental changes to service design when considering joint-commissioning opportunities
- Financial pressures limit the scope for piloting new areas work, but it also takes up considerable staff resource as commissioning teams work to re-negotiate reduced contract values and retender services with the available budget

There is more work needed to develop the capacity of the Integrated Commissioning Executive to address a broader range of shared challenges, such as reducing the number of looked after children or responding to domestic violence and abuse.

Building on existing models of joint investment like the Better Care Fund, it would be helpful to have clearer, joined-up processes covering all areas of commissioning from which commissioners could develop new areas of joint working.

### **3.9 Third sector**

LCC Commissioners have stated their intentions to improve the integrated commissioning of the Third Sector, achieving best value for the Leeds £ and supporting the Third Sector through more coordinated partnership working.

As part of a recent inquiry, Scrutiny Board is expecting:

1. Service commissioners across Leeds' health, wellbeing and social economy to provide a joint report that clearly sets out the, current and projected, financial challenges for services commissioned through the Third Sector and how, through collaborative working, impacts across the sector have and will continue to be minimised and/or mitigated.
2. Commissioners to produce a joint report in relation to joint commissioning across Leeds' health and social care sector that sets out, in detail, the progress made to date and any future proposed actions; with a particular emphasis on the efficiencies and improved outcomes achieved and targeted.
3. Leeds Teaching Hospitals NHS Trust, Leeds Community Healthcare NHS Trust and Leeds and York Partnerships NHS Foundation Trust work collaboratively to set out the strategic relationship with the Third Sector and how that might contribute to the delivery of Trust objectives.

The increase in contracts compared to grants with voluntary sector organisations has offered some stability to the sector, but it has also created challenges, sometimes displacing smaller providers from the market and potentially limiting the breadth of innovation. There is a need for further discussion about the impact of the length and size of contracts awarded by CCG commissioners on Third Sector providers.

### **3.10 Improved Place-Based Commissioning**

The ambition to deliver new models of care with an emphasis on place-based commissioning could create new issues if we don't increase the current level of joint working and coordination. This ambition is reflected in the changing needs of the population. The ageing and deprived populations in particular require CCGs and local authorities to re-design distinct services into integrated ones. Commissioners must work to overcome the barriers posed by misaligned, geographic administrative boundaries and respond to these changing needs by increasing the level of coordination.

The senior management of the three Leeds NHS CCGs are looking at commissioning through "One Voice". This is being discussed and developed through a series of bi-weekly meetings. Local Authority colleagues have been invited to be involved within the process but due to the speed of this work (concludes in December) it is concentrating on bringing together the three CCGs as "One Voice". Whilst processes may remain unchanged, governance may alter in future.

### **3.11 Leeds £**

In order to further the concept of the Leeds £, we need to develop a 'common language' among commissioners and decision makers in Leeds about how we co-produce and assess the cost-benefit of commissioned services, recognising that broad agreement will be needed about how we move investment from individually commissioned services to ones that achieve joint outcomes by aligning our limited resources. Commissioners in Leeds City Council have adopted the use of Outcome

Based Accountability<sup>7</sup> to support the development of a shared understanding of how we commission services to respond to measurable need.

## **4 Health and Wellbeing Board Governance**

### **4.1 Consultation and Engagement**

A Leeds approach to commissioning should be supported by a Leeds approach to service user engagement as part of the commissioning cycle. Whilst approaches may differ in practice all put the service user at the heart of commissioning decisions.

Public Health in Leeds City Council have some recent examples of involving service users in the re-tendering of both drug and alcohol services and housing support services. In both cases service users took part in OBA sessions, they were involved in evaluating the existing service consulted on the service design. For the drug and alcohol service, service users were involved in setting tender evaluation criteria and actually scoring the bids that were submitted.

Any commissioning decision made using the NHS CCG toolkit will need to take account of likely views of commissioning partners, notably Leeds City Council and NHS England, in role as Co-Commissioner, and other Clinical Commissioning Groups (if proposal likely to be cross border issues). Commissioners need to consider likely political implications of any decision and likelihood of support from elected council members. The perspective of patients, public, carers, providers, primary care and clinicians is also taken into consideration. All engagement work and perspectives analysis is captured in a stakeholder dimensions checklist and must be submitted with proposals.

Each CCG has established links with the local area committees in Leeds City Council, which provides an additional mechanism for gathering local population needs in relation to health and wellbeing. The three CCGs have strong patient engagement teams and methods that work at the level of the city, the CCG and the practice level.

Leeds City Council takes a co-production approach, consulting and engaging with stakeholders throughout the procurement lifecycle, to ensure procurements properly reflect need and opportunity, and take account of the wider context, including the council's plans and strategies, locality working and collaboration with others.

This report has been prepared in partnership between colleagues from the three NHS Leeds CCGs and cross-directorate from Leeds City Council.

### **4.2 Equality and Diversity / Cohesion and Integration**

There are no direct equality and diversity implications from this report.

### **4.3 Resources and value for money**

This report must be considered in the context of the financial challenges the city faces, which the Health and Wellbeing Board has been well sighted on. Tackling these challenges is part of the delivery of the Leeds Health and Wellbeing Strategy 2016-21 and the Leeds Sustainability and Transformation Plan.

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<sup>7</sup> <http://www.leeds.gov.uk/docs/8%20-%20OBA%20-%20Outcomes%20Bsed%20Accountability%20-%20September%202013.pdf>

#### **4.4 Legal Implications, Access to Information and Call In**

There are no access to information and call-in implications arising from this report.

#### **4.5 Risk Management**

The NHS and local authority are founded on fundamentally different principles. For example, most NHS services are free at the point of use whereas the majority of local authority services are means tested. These principles will be challenged by the attempts to coordinate or integrate commissioning approaches.

Programmes relevant or mentioned will have their own risk management arrangements and the business of the Board will receive assurances that partners work collaboratively for mitigation and resolution of these risks.

The Leeds STP is helping to manage the financial risk to the city by making the health and care system more sustainable.

### **5 Conclusions**

Despite the fact that there are very different commissioning cycles between the CCGs and LCC, we already do a substantial amount of joint commissioning. This includes where one of us is the lead commissioner via a section 75 arrangement with a pooled budget, where we have a section 256 arrangement in place and one organisation acts as lead commissioner with a third sector organisation, or where simply we work together when commissioning a service or group of services to ensure the commissioning process is informed by the other partner(s). Leeds can demonstrate good practice in joint commissioning of services such as the Leeds equipment services and several winter schemes we jointly work on to maintain system resilience.

We are also developing our joint commissioning roles and gaining experience through national projects such as the Urgent Care Vanguard / Pioneer / New Models of Care programme with NHS England and other commissioning groups across West Yorkshire.

While there may be some different approaches taken by various commissioning partners, there are already some similar principles that guide our decision making that could be developed into some common principles that underpin the way we work, with agreed common language.

The approach taken by Adult Social Care and CCGs to align their investment aimed at reducing lengthy hospital admissions and supporting people to remain independent at home for longer should be viewed as a positive model from which other areas of joint commissioning could be developed.

We need to build on existing successful approaches as we look to address the joint commissioning priorities for children young people and families. A draft set of shared outcomes which would benefit from taking this approach includes:

- Ensuring everyone will have the best start in life
- Offering integrated and personalised services for children with complex needs
- Providing a comprehensive emotional and mental health service for children and young people

- Responding to the needs of children who enter and leave care and improved services for children whilst in care

With ever tighter financial budgets and controls, the CCGs are keen to learn from partners who have been required to make savings and how they have decommissioned or re-commissioned services. It is especially important to maintain quality and to bring the public with us.

There is much evidence that the Council have been able to do this over the last five years of cuts. Although the CCG approach is untested, the processes and governance are established – with particular note to engagement. It is essential that the Council are involved in this work as we approach the 2020/21 and the amalgamation of budgets. The city has experience of this already through the BCF, but there is more to learn as we work together as joint partners.

## **6 Next Steps**

The Leeds system needs to work towards a new approach to integrated commissioning models and requires the support of the HWB Board and also of the Leeds Integrated Commissioning Executive (ICE) to:

- Build on existing good practice for commissioning together e.g. BCF
- Develop common commissioning and de-commissioning principles / draw existing principles together
- Debate and synthesise the approaches to commissioning for outcomes / social values etc
- Develop a joint position on commissioning of 3rd sector organisations
- Develop a shared set of principles for commissioning/decommissioning
- Seek ways to include the 3rd sector more as a commissioning partner where appropriate

## **7 Recommendations**

The Health and Wellbeing Board is asked to:

- Consider whether the current approach and future steps adequately support the vision and role of the Board
- Identify any further opportunities to progress towards a shared approach to commissioning and decommissioning
- Provide strategic direction for future progress towards a shared approach to commissioning and decommissioning
- Take learning from best practice within the system and apply to future decision making
- Support the Integrated commissioning executive to set system priorities for shared challenges and testing further integrated commissioning models

## **8 Appendices**

Appendix I – Glossary of commissioning language

Appendix II – CCG shared commissioning timeline