

## **Cabinet – 15 July 2009**

### **Development of a Joint Commissioning Unit with NHS Walsall**

**Portfolio:** Councillor Mrs B McCracken – Health, social care & housing

**Service:** Social Care and Inclusion

**Wards:** All

**Key decision:** No

**Forward plan:** No

#### **1. Summary of report**

- 1.1 This report outlines proposals for the creation of a Joint Commissioning Unit (JCU) as a vehicle to better align the commissioning of services between adult social care and NHS Walsall. Pulling together the resources of commissioning of health and social care services in the way proposed will ensure that the most efficient use is made of financial and human capacity thereby delivering the best possible outcomes to the vulnerable people of Walsall. This proposal is fully in line with council policy to improve the health and wellbeing of the people of the borough.
- 1.2 As part of working in such a joined up fashion, it is probable that there will be the need for a revised constitutional framework to enable the manager of the Unit to allocate resources between agencies. Members are asked to approve the creation of this framework.

#### **2. Recommendations**

- 2.1 That Members note the proposals for the creation of a JCU as outlined in the report.
- 2.2 That Members approve, as necessary, the creation of a Section 75 Agreement (NHS Act 2006) as the legal framework for the effective generation of, and resource management within, the JCU.
- 2.3 That signing of this agreement be delegated to the Executive Director of Social Care and Inclusion in consultation with the Cabinet Member with responsibility for Social Care and Inclusion.

### **3. Background information**

- 3.1 Members will be aware that over many years, and in line with government and council policy, adult social care has progressively reduced its role as a direct provider of care services, turning increasingly to the independent sector to deliver front line services. In parallel, policy and best practice has led to an ever greater emphasis on commissioning of these services jointly with the commissioning arm of the NHS, the Primary Care Trust (NHS Walsall). Such aligned or joint working not only ensures that our limited resources are used as efficiently as possible, but also enables the commissioning of joined up Health and Social Care services to best meet the complex needs of our customers.
- 3.2 In order to deliver on this agenda and to ensure that the services that we pay for are appropriate to the needs of local people, are of consistently high quality and represent value for money, the council and PCT employ dedicated commissioning staff. In the spirit of collaborative commissioning outlined above a number of these posts are jointly funded and successfully managed across both agencies with financial arrangements which allow for the controlled pooling of resources where appropriate. This arrangement has served us well for several years, but it has become increasingly apparent that in addition to the benefits already derived from this model of collaboration, further benefits and increased efficiency of energy and resource can be derived from its further development. Work has been done, with input from the Health Services Management Centre (Birmingham University) and the Care Services Efficiency Delivery team (Department of Health) to consider improvements to the current arrangements, which has led to the proposal for the creation of a Joint Commissioning Unit (JCU) as outlined in this report.
- 3.3 The JCU would have the following features:
  - 3.3.1 Placing the shared and specific staff of Social Care and Inclusion and NHS Walsall who commission shared services within a single team and, if possible, shared accommodation.
  - 3.3.2 Further developing work practices that ensure the sharing of resources and best practice across services for Learning Disabilities, Physical Disabilities, Mental Health, Older People and Supporting People.
  - 3.3.3 Recruiting to the post of JCU Manager, employed to lead the team and work across Health and Social Care. This post would be employed formally by NHS Walsall, but managed jointly by the Head of Partnerships (NHS Walsall) and the Executive Director (Social Care and Inclusion).
  - 3.3.4 Constructing a legal and governance framework to allow for such joint accountability and to enable the effective use of resources across the two agencies.
  - 3.3.5 Creating a Section 75 Agreement NHS Act 2006 (or make necessary amendments to an existing Section 75) as the overarching legal vehicle for collaboration.
  - 3.3.6 Putting in place adequate safeguards to ensure that each agency retains absolute sovereignty over expenditure of its resources and that mechanisms are in place to dissolve the above joint arrangements, should they be seen by one or both agencies at some future point to no longer be the desired model of joint working.

## **4. Resource considerations**

### **4.1 Financial:**

- 4.1.1 The JCU Manager will have responsibility for NHS Walsall and Walsall Council budgets. They will be able to use these budgets to jointly commission services on behalf of the Council and NHS Walsall, although they will not be signatories for the Council as they will not be an employee of the Council. Budgets and accountability will rest with the relevant service manager who will have the delegated authority to transact on behalf of the Council.
- 4.1.2 The gross budget under the control of this manager on behalf of the Council will be in the region of £97m. This will consist of 2 elements. Firstly, that which is directly commissioned outside the council via contracts with external bodies or clients, for example external residential and nursing placements and direct payments (approx £83m). Secondly, the internal provision budgets will be allocated to the in-house services via the JCU manager. In this way, the manager will be responsible at budget setting time to determine, based on commissioning intentions, what level of services will be provided within the in-house service via a Service Level Agreement (SLA) or external to the Council via a contract (approx £14m).
- 4.1.3 The JCU Manager will be integral to ensuring budget management and control is embedded in the unit and will lead on budget responsibilities for the service on behalf of the Executive Director at the regular budget monitoring meetings.
- 4.1.4 The salary of the post will be jointly funded between the Council and the NHS Walsall, the budget for which is contained within the current cash limited revenue budget for Adult Social Care.
- 4.1.5 There will not be an overall pooled budget for the new unit, however, the budgets will be “aligned” so that the manager can ensure effective and efficient use of resources and drive out economies of scale when purchasing and commissioning care on behalf of the two organisations. The existing pooled budgets for the Integrated Community Equipment Store (ICES) and Learning Disabilities will continue to exist in line with their current partnership arrangements.

### **4.2 Legal:**

- 4.2.1 From a legal perspective, this is a complex matter which will need careful consideration. Detailed legal advice will continue to be sought in respect of operational, governance and the insurance arrangements regarding this new way of working. A carefully planned transitional approach will also be undertaken to ensure that where relevant, the Council's existing Section 75 Agreements are encompassed within this overarching Joint Commissioning Unit in accordance with the terms of those existing agreements.
- 4.2.2 Further reports will be submitted to Cabinet in the future should this be necessary in order to keep Cabinet fully informed of the progress and of any key matters arising in relation to these arrangements.

#### **4.3 Staffing:**

The appointment of the JCU Manager post will be created and advertised in line with appropriate procedures and recruitment policies. The council will play an active part in recruiting to this significant post. Whilst the employer will be NHS Walsall, the continuity of service delivery will be managed jointly by the by the Executive Director.

#### **5. Citizen impact**

A Joint Commissioning Unit will benefit all vulnerable people of the borough who require health and/or social care services, by creating a context for the optimal efficiency of financial spend and maximum flexibility in the commissioning of services.

#### **6. Community safety**

There are no specific community safety implications of this report.

#### **7. Environmental impact**

The creation of a Joint Commissioning Unit in itself will have no specific environmental impact though, in the commissioning of services, appropriate attention will always be given to the location of provision and consequent travel patterns to reduce adverse environmental impacts.

#### **8. Performance and risk management issues**

##### **8.1 Risk management:**

The effectiveness of working jointly with other agencies is actively risk managed, both corporately and within Social Care & Inclusion. Specifically attention is paid to the legal, financial and governance aspects of joint agreements to protect council resources and ensure that the current and future needs and rights of the council are appropriate protected as is its right to act as a democratic autonomous body as and when this may be necessary.

##### **8.2 Performance management:**

The activity of the JCU will be actively performance managed by the Executive Director (Social Care and Inclusion) and Director of Partnerships (NHS Walsall). Both host agencies have clear and specific performance management frameworks and the joint unit will be accountable to both, but where possible effort will be made to rationalise the reporting and management processes.

The intention behind the creation of a JCU is to allow further improvements in the performance of both agencies in the deployment of resources to best meet the needs of the vulnerable people of Walsall. Particularly the different arms of the Department of Health will be interested in performance improvements relative to the delivery of their Personalisation and World Class Commissioning policy imperatives.

## 9. **Equality implications**

The creation of a JCU will give both the local authority and NHS Walsall the opportunity to further enhance the consistency and robustness of their focus on identifying and meeting the needs of the most disadvantaged people of the borough. Through the use of contracts with independent service providers it will be possible to create clear and objective expectations in terms of delivering equality outcomes and equity of resource allocation.

## 10. **Consultation**

Consultation has been undertaken with Resources Directorate (legal, finance, human resources, and performance management). No localised (LNP) consultation has been undertaken given the “whole borough” nature of the proposals in the report.

### **Author**

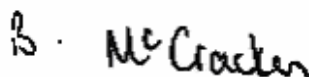
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