

## Health and Wellbeing Board

24 April 2017

### Joint Commissioning Committee

#### 1. Purpose

As part of its arrangements under Directions WCCG agreed with NHSE to undertake an external review of joint commissioning arrangements, which the Joint Commissioning Committee oversees, Deloitte were appointed as the reviewers and this report sets out to discuss the findings and recommendations following review.

#### 2. Recommendations

- 2.1 That the board note the findings of the review of the Joint Commissioning Unit and the recommendation as set out in paragraph 3.4.4 of this report.
- 2.2 That the board discuss the opportunities that the outcome of this report affords to review existing joint commissioning arrangements and oversight.

#### 3. Report detail

- 3.1 As part of its arrangements under Directions WCCG agreed with NHSE to undertake an external review of joint commissioning arrangements, Deloitte were appointed as the reviewers and this report sets out to discuss the findings and recommendations following review
- 3.2 The Joint Commissioning Unit (JCU) was established in 2009 under the post of Head of Joint Commissioning. The team was designed to work across both Walsall CCG ('the CCG') and Walsall Council ('the Council'), to improve the commissioning of health and care services.
- 3.3 The JCU appears to have operated effectively for several years with both organisations managing their budgets successfully, and fulfilling their responsibilities in this area. However, support for the JCU has diminished over time as the worsening financial position has placed stress on the arrangements. Both parties are now questioning whether the joint commissioning arrangements are appropriate.
- 3.4 The review has identified the following areas where there are significant weaknesses in the operation of the joint commissioning arrangements:

##### 3.4.1 Staffing

One of the key issues raised during the interview process centred on the current funding arrangements for JCU posts when compared with roles and

responsibilities. It was identified that the process for funding joint posts had become unclear and in some cases has never been completely understood.

This disparity between the funding, employing organisation and the role and responsibilities of the posts is a significant weakness within the current system as this confusion has led to a lack of clear accountability and financial clarity for both organisations. The lack of accountability is especially evident for those individuals who are employed by one organisation but who undertake work on behalf of the other.

A further potential weakness in the current joint commissioning system relates to job descriptions. The discussions held identified that many of the job descriptions for joint staff are fairly generic and do not reflect the full nature of the roles and responsibilities staff members are asked to perform. This along with the ambiguous funding and employer arrangements could be significant, especially if both organisations were to withdraw from the joint commissioning structure. In particular, if staff were pulled out of the commissioning unit by their respective organisations, there would be very little documentation detailing the commissioning gaps left in each entity.

### 3.4.2 Governance

Whilst there are strengths within the JCU's current control processes, with the system having all the necessary components required to deliver strong governance and control, several significant issues have been identified in the day-to-day running of these component parts. For example, at an overall level, the JCU reports directly into the Joint Commissioning Committee (JCC), which in turn reports up to the Health and Wellbeing Board. Whilst this structure should be providing effective oversight of the activities, budgets and performance delivered by the JCU, there appears to be significant cracks within the process.

For example, the committee's Terms of Reference have not been reviewed since October 2015 even though these are supposed to be reviewed annually. Furthermore, during our discussions, it was mentioned that attendance at the JCC is often variable. Poor attendance alongside out of date Terms of Reference could lead to major issues such as financial pressures and service performance not being brought to the board or being given the proper oversight and scrutiny required to affect change.

It also appears that no specific person has been delegated with the responsibility to pull together the agenda and documentation for each meeting. Following a review of the information provided, it also appears that the documents relating to each committee are not being circulated ahead of the meetings resulting in limited challenge as attendees have not had time to digest the information. Furthermore, it is not clear how the agenda itself is selected as it changes each meeting with reports on different services resulting in a lack of consistency and strategic oversight of all jointly commissioned services.

Finally, the information provided in the reports themselves appears variable, for example, there does not appear to be an overarching update on the performance of jointly commissioned services including budgets, activity and key performance indicators. It would be expected that more detailed

performance reports would be presented to the committee to ensure effective oversight.

### 3.4.3 Strategy

A further issue for the JCU and one which has to an extent exacerbated many of the other weaknesses identified is the lack of clarity over the joint strategic direction for health and care services. There is a lack of joined up commissioning intentions and a lack of a clear overarching joint strategy. In the absence of a joint strategy, staff have been left to articulate the policy direction of travel for their own services in isolation and it is not clear whether there is a shared position across all staff. In addition, the Council and CCG do not have a shared approach to the commissioning cycle that could build upon a shared understanding of business information, demand and shared finances. This lack of clarity has therefore helped to undermine the very essence of what joint commissioning is designed to achieve.

This has become increasingly noticeable in recent years due to the growing financial pressures faced by both organisations and the tendency for each to firefight in silo. As such, instead of an integrated strategy in which both organisations work together to deliver a savings plan by improving efficiency, managing down demand and moving to a 'just enough' care approach, there is a belief that both organisations have become more isolationist. The focus has instead been on how they can reduce their own contributions without careful consideration of the impact this could have on the other.

### 3.4.4 Options Analysis

Deloitte have identified three main options for the CCG to consider in order to resolve the underlying issues with the JCU.

#### Option 1: Dissolution of the current joint commissioning arrangements

This would entail both the CCG and the Council withdrawing their resources from the JCU, leading to the dismantling of existing integrated arrangements and the transfer of all staff and budgets back to the respective organisations. Services would be commissioned separately.

#### Option 2: Incremental improvements to the existing situation

The CCG could seek to maintain the current joint commissioning arrangements and improve them. Work would focus on identifying solutions to the areas of weaknesses identified within the report.

#### Option 3: Broaden and deepen joint commissioning arrangements

In this option, the CCG and Council would move beyond the level of joint commissioning currently in operation and would instead create a Single Commissioning Unit (SCU) responsible for all Walsall health and social care budgets.

It is clear from the review that the JCU, as currently constituted, has several key areas of weakness. Given this, the CCG has considered all options and through discussion with council colleagues is **recommending Option 1** – the dissolution of the current arrangements. However, the CCG in no way sees this as a permanent solution and would wish to pursue joint arrangements with the council in the future again.

The CCG recognise such a decision would enable each organisation to gain a greater clarity of the existing jointly commissioned services and would enable both organisations to develop a more objective view about how they could work together better in future. This approach would provide both parties with a platform on which to develop future integrated working models. This would give each the opportunity to explore the benefits offered by operating single commissioning units and the opportunities available in utilising joint delivery models such as alliance contracting within a mutually supportive environment.

#### **4. Implications for Joint Working arrangements:**

- 4.1 CCG and Council senior officers will work collaboratively to dismantle the current arrangements and staffing structure of the JCU.
- 4.2 CCG and Council senior finance officers will work collaboratively to disaggregate the pooled budget arrangement currently in place.
- 4.3 CCG and Council will agree a single vision and future arrangements for collaborative working going forwards.
- 4.4 CCG and Council will consider how future collaborative arrangements will be overseen and reported, ensuring strong governance and reporting. The JCC will continue to oversee this work until alternative governance structures are put in place.
- 4.5 The existing arrangements of the Joint Commissioning Unit are governed by a Section 75 agreement, a variation to this will be agreed that will detail the temporary arrangements. A new Section 75 agreement will be created, if required, to govern future collaborative working arrangements when these are agreed.
- 4.6 CCG and Council senior officers will continue to work collaboratively where required, for example, the Better Care Fund.

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