



**Manchester City Council**  
**Report for Resolution**

**Report to:** Executive – 19 October 2016  
**Subject:** Single Health and Social Care Commissioning Function  
**Report of:** Strategic Director Adult Social Care

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**Summary**

This reports sets out the recommendation to develop a Single Commissioning Function. As part of the Manchester Locality Plan commissioners have committed to establish a single commissioning function. The primary recommendation of the report is to establish a function which comprises a single statutory CCG with a partnership agreement with Manchester City Council.

**Recommendation**

Executive to note the progress being made towards the establishment of a Single Commissioning Function and endorse the direction of travel. A further report will be submitted to the Executive before the organisational arrangements are finalised.

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**Wards Affected:** All

<b>Manchester Strategy outcomes</b>	<b>Summary of the contribution to the strategy</b>
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Driving forward the growth agenda with a particular focus on integrated commissioning and delivery which will focus on utilising available resources effectively and developing a diversity of providers. This will provide opportunities for local jobs
A highly skilled city: world class and home grown talent sustaining the city's economic success	The single commissioning function will focus on utilising available resources to connect local people to education and employment opportunities, promoting independence and reducing worklessness.
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	The focus is on changing behaviours to promote independence, early intervention and prevention, the development of evidence-based interventions to inform new delivery models



A liveable and low carbon city: a destination of choice to live, visit, work	Development of integrated health and social care models and local commissioning arrangements that connect services and evidence-based interventions to local people and enable families and their workers to influence commissioning decisions aligned to locally identified needs.
A connected city: world class infrastructure and connectivity to drive growth	N/A

**Full details are in the body of the report, along with any implications for**

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

**Financial Consequences - Revenue**

The creation of a Single Commissioning Function is an essential part of the monitoring of the Locality Plan and financial and clinical sustainability of the Manchester health and care system.

The Single Commissioning Function is being established from within existing resources. The Locality Plan report elsewhere on the agenda sets out the investment and savings that the Single Commissioning Function will need to deliver. Alongside this there is work underway to expand the current pooled budget arrangements to include the funding for all Single Commissioning Function activity. This will be brought back for approval at the appropriate stage.

**Financial Consequences – Capital None**

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**MANCHESTER**  
CITY COUNCIL



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## 1. Purpose

- 1.1 This report sets out proposed arrangements for a single health and social care commissioning function for Manchester, and the issues this raises for the Council. The Locality Plan report elsewhere on the agenda sets out the investment and savings that the Single Commissioning Function will need to deliver. Alongside this there is work underway to expand the current pooled budget arrangements to include the funding for all Single Commissioning Function activity. This will be brought back for approval at the appropriate stage.

## 2. Introduction

- 2.1 Greater Manchester Health and Social Care Devolution has enabled the Council and the various NHS organisations, together with the Voluntary Sector and other partners, to produce a five year Locality plan to transform and integrate health and social care services. The vision for the plan is:

Manchester people living longer with an integrated health and care system: receiving high quality, affordable and joined up health and care support and encouraged to do what they can to remain healthy. The Locality Plan was approved by the Health and Wellbeing Board 27<sup>th</sup> April 2016. The Locality Plan is a whole system approach to improving health and social care through radical transformational change, which will improve outcomes and provides the best chance of securing financial stability. The three pillars of the plan are:

- The creation of a Single Hospital Service, which will, generate significant improvements in care for patients from Manchester and beyond, and economies of scale;
- A new Manchester Local Care Organisation, which will integrate out of hospital services around people at a neighbourhood level
- A new Single Commissioning Function to drive improved outcomes and value for money with providers;

All three pillars are supported by four citywide enabling programmes, established to enable a deliver reform through enhancing Manchester's workforce, ICT, estates and communications.

This programme would not have been possible without devolution of health and social care to Greater Manchester and the Locality plan is integral to the Greater Manchester Health and Social Care Strategy "Taking Charge".

- 2.2 A coherent and strong commissioning function is a pre-requisite for the effective commissioning of a transformed health and care system in Manchester and is a key lever for the effective delivery of the ambitions contained in the Plan. The following progress is now being made towards developing this function:

- A Joint Commissioning Executive is now in place, with senior commissioning executives meeting weekly to oversee and enable joined up decisions on all commissioning issues, while retaining current accountabilities. The Joint Commissioning Executive reports to each constituent organisation.
- The interim accountable officer for the single commissioning function is Ian Williamson, Central CCG



- An independent appraisal of options for a Single Commissioning Function was undertaken by external advisors in July and August on behalf of the City Council and the three Manchester CCGs. This included staff focus groups, interviews with senior officers and Members of the council, and review of national and international good practice.
- A key focus for the work of the Joint Commissioning Executive is to support the development of an Integrated Commissioning Strategy, an Outcomes Framework as well as an Implementation Plan by identifying commissioning priorities for implementation in 2017/18.

2.3 This report sets out the main recommendations from that analysis and proposed next steps

### **3. Options Appraisal Recommendations**

3.1 The key recommendations from this appraisal were presented to the Joint Commissioning Executive on 31 August and include:

- A Single Commissioning Function be created, to commission both health and social care for Manchester;
- This be established to ensure the effective commissioning of the single hospital service, local care organisation and other providers of healthcare but also to have stronger influence over the wider determinants of health;
- Commissioning needs to be more strategic and outcomes focused with a stronger role for providers in service redesign,
- The development of an Integrated Commissioning Strategy and Outcomes Framework ;
- The commissioning responsibilities within the function's scope will in the first instance be all CCG commissioning , adult social services and public health, with children's social services being incorporated at a later date;
- The disestablishment of the existing three Manchester CCGs and the establishment of one statutory CCG for the city;
- Given legislative barriers preventing the creation of a single commissioning organisation, a partnership agreement be established between the Council and CCG to enable the operation of a Single Commissioning Function;
- The Single Commissioning Function will have a single accountable officer and executive leadership team, comprising Council senior managers which will include the Director Adult Social Care and the Director of Public Health and CCG senior managers and clinicians;
- The new function will embed strong clinical leadership;
- There is a focus on local integration with other services and local commissioning priorities to ensure local need is understood and reflected in commissioning plans and priorities;
- That the Single Commissioning Function will adopt the 'Our Manchester' approach, building upon neighbourhood and community engagement.



- 3.2 These recommendations have been supported by the Boards of North Manchester, South Manchester and Central Manchester CCGs. It is important to note that the changes to CCG constitutions will require approval from the GP membership. This will be required to complete the merger of the three CCGs.
- 3.3 The preference is to align the timeframe for the Single Commissioning Function with that of the Single Hospital System and Local Care Organisation i.e. detailed design and implementation plan approved during November 2016 and implementation from April 2017. These timescales are subject to various approvals from NHSE, who are required to approve various elements of this plan i.e. the merger of the three CCGs.

#### **4. Key Issues for MCC**

- 4.1 Whilst the options appraisal's direction of travel has been supported, there are not detailed design and implementation plans which, once developed, are likely to raise a wide range of issues that need to be better understood and managed by all partners. In respect of the Council, these are likely to include:

#### **Statutory roles – Director Adult Social Care**

- 4.2 Certain statutory functions of local authorities in respect of adult social care are incapable of delegation. However, local authorities can enter into s.75 partnership arrangements with prescribed NHS bodies, which include CCGs. S.75 agreements can include arrangements for pooling resources and delegating certain NHS and local authority health-related functions to the other partner(s) if it would lead to an improvement in the way those functions are exercised.
- 4.3 The most recent version of the Care and Support Statutory Guidance (published April 2016) states that a local authority will remain ultimately responsible for how its functions are carried out. Delegation does not absolve the local authority of its legal responsibilities.
- 4.4 The DASS is directly accountable to the Chief Executive of the local authority for delivery of the relevant social services functions. If the DASS sits on the executive of the Single Commissioning Function, it ensures that local authority's legal responsibilities are at the forefront of commissioning decisions.

#### **Statutory roles – Director of Public Health (DPH)**

- 4.5 Similarly, whilst it is not considered possible for the Council to delegate accountability for all DPH functions, the Council can include public health commissioning, within the scope of the Single Commissioning Function as part of its partnership and pooled budget arrangements. As with the DASS role, the DPH will sit on the executive of the Single Commissioning Function and the same principles will apply as set out above

#### **New commissioning approaches and arrangements**

- 4.6 The Single Commissioning Function will adopt an increasingly strategic and outcomes focused approach, commissioning systems as opposed to individual services to ensure increased integration at the point of delivery, improving outcomes and experience for local people, measuring performance of the system as a whole with redesign potentially sitting within providers.
- 4.7 The Greater Manchester Commissioning for Reform Strategy identifies the need to move to an investment led approach to commissioning, whereby shifting activity must lead to resources being freed up in one part of the public service economy to be reinvested in another part. The

strategy also creates a programme of commissioning aspects of health and social care at a Greater Manchester level and shows how the delivery of these services can be integrated at neighbourhoods through the operation of the Locality Plan.

### HR / OD implications

- 4.8 There are extensive HR and OD implications of the proposals and if the ambitions of the City are to be met, it is imperative that work commences quickly to address the workforce challenges. There are 72 posts (FTE 66.2) within the Council's commissioning function. The following table provides a high level overview of these roles by thematic delivery area and whether these are within scope for the Single Commissioning Function:

Thematic Area	Grade							
	>G12	G12	G11	G10	G9	G8	G7	G5
Children's Commissioning - <b>Out of Scope</b>				1			1	2
Children's Placement Team - <b>Out of Scope</b>		1			1		5	4
Head of Commissioning (Interim)	1							
Homelessness - <b>Out of scope</b>		1		1			2	
Learning Disability			1			1	1	1
Mental Health		1		1	1	1	1	
Older People and Physical Disability				1			3	
Public health commissioning		1		4				
Quality Performance and Compliance		1		1	1		17	6
Specialist Commissioning & Integration			1			4	1	
Strategic Commissioning Lead	1							
VCS				1				
<b>Total Grades</b>	<b>2</b>	<b>5</b>	<b>2</b>	<b>10</b>	<b>3</b>	<b>6</b>	<b>31</b>	<b>13</b>
<b>Total FTE</b>								

- 4.9 The above table reflects the proposed scope of staff within the Council of the Single Commissioning Function on its establishment in April 2017. Further consideration is required to the potential future inclusion of commissioning for children's social care and homelessness services. In addition, as the Single Commissioning Function will adopt an increasingly strategic approach to commissioning, some activities that currently form part of the Council's commissioning activities may be undertaken by the Local Care Organisation in the future.
- 4.10 There has been extensive staff and trade union engagement up to and during the options appraisal process and this will continue as the work progresses, with a joint TU forum being established.
- 4.11 Senior officers will dedicate appropriate time and effort to the organisational development challenges of bringing together four discrete organisations with their own cultures,

behaviours and ways of working. It will be essential that a programme of change/organisational development is delivered alongside the more technical considerations around organisational form, functions and role.

4.12 The key HR and OD issues to address as part of the creation of the single commissioning function are:

- Determining and embedding organisational purpose, vision, values and behaviours
- Leadership development to ensure that leaders have the skills and tools to implement management of change programmes with staff and to remain resilient
- Organisational development programmes to break down organisational barriers and drive the new culture which will need to underpin the single commissioning function underpinned by whole systems and neighbourhood working and truly integrated teams
- Organisational form, functions, new roles,
- Secondment and transfer of staff within the CCGs
- Knowledge, behaviours, skills
- Communication, engagement and consultation

4.13 Dedicated HR/OD capacity will be needed from MCC and the CCGs to lead these workforce changes. A joint HR/OD transformation team is being established.

### **Financial implications**

4.14 The Locality Plan sets out a five year health and care financial plan for the period 2016/17 to 2020/21. This plan sets out the investment and savings allocated to the Single Commissioning Function, with integrated commissioning, investment and decommissioning plans being a key vehicle for achieving those savings.

4.15 The Council and CCGs already pool funds. This pooling will be expanded for 2016/17 to include budgets covering Council services that are in-scope for the Local Care Organisation. The pooled budget's scope will need to be further expanded from April 2017 to include funding for all Single Commissioning Function commissioning activity in-scope, supported by robust financial and performance management arrangements.

4.16 Direct support costs for the creation of the Single Commissioning Function will include finance, legal, HR and programme management. These will be identified during the development of the detailed design and implementation plan

### **Governance**

4.17 The overarching governance for the three pillars of the Locality Plan sits with the Health and Wellbeing Board. As one of the key pillars, the Single Commissioning Function will require further strong governance arrangements to ensure implementation and assurance of the delivery of the Council's accountabilities, strategies, priorities and plans. External advisors recommend a partnership agreement between the Council and newly formed single CCG for Manchester. Section 75 of the NHS Act 2006 gives powers to LAs and CCGs to establish and maintain pooled funds out of which payment may be made towards expenditure incurred in the exercise of prescribed LA and NHS functions.

4.18 The work of the Single Commissioning Function will need to be supported by the development of the Integrated Commissioning Strategy and Outcomes Framework, a pooled budget, subject to relevant financial management processes, scrutiny and audit, with the

performance and quality of commissioned providers monitored and managed to ensure value for money, return on investment and achievement of improved health outcomes.

- 4.19 Section 75 and pooled budget arrangements already exist between the Council and CCGs and these will need to be reviewed to ensure that they are suitable for the broader set of commissioned services in scope.
- 4.20 The partnership agreement will need to include appropriate governance structures, including a Commissioning Board, with Council Executive Member and senior manager involvement in that Board and any sub-committees. (see paragraph 4.26 below)

### **Impact on wider council functions**

- 4.21 Whilst not specifically in scope, a range of council functions will need to support or will be impacted upon by the creation of a Single Commissioning Function. For example, input will be required from finance, legal, HR and performance functions to support the development and execution of the detailed design and implementation plans.
- 4.22 Furthermore, these and other services provide support to in-scope functions and the impact for those services will need to be understood and managed.

### **Future inclusion of Children's Social Care Commissioning**

- 4.23 The Council has developed a Children's Commissioning Strategy (in partnership with the Greater Manchester Police and Crime Commissioner and the City's Clinical Commissioning Groups), to plan and deliver services for children and families in Manchester, which sets out the joint strategic plan for

2016-2020. The strategy, along with our embedded commissioning intentions, provides the framework for partnership and joint commissioning and also provides support for all partners in working more closely together to commission; deliver and performance manage effective services for children, young people and their families. The strategy recognises the strategic

direction of travel indicated in the Greater Manchester Review of Children's Service, the Locality Plan as well the key data highlighted in the local Joint Strategic Needs Analysis for Children and Young People (JSNA). The strategy also links with the complex interdependencies with other Council functions.

- 4.24 Following the Ofsted Inspection in September 2014, the Council has focused Children's commissioning activity on delivering the improvements required in Children's Services by providing significant investment to address the short fall in Early Help and children's social care. For this reason the commissioning of children's services were initially out of scope. That work is now well underway and the focus is turning towards delivering the commissioning strategy through stronger partnership arrangements.

### **4.25 Role of Members**

#### **a) Health and Wellbeing Board**

The Health and Wellbeing Board brings together NHS, public health, social care and children's services representatives, elected Members and representatives from Healthwatch Manchester to plan health and social care services for Manchester. The Leader of the Council and the Executive Members for Adults, Children and Public Service Reform sit on the Health and Wellbeing Board

### **b) Executive Member for Adults, Health and Wellbeing**

Executive Members are responsible for a particular area of the Council's services and policies. The Executive Member for Adults, Health and Wellbeing leads on adult

social care, health, public services reform in relation to health and social care and troubled families, and supporting people. The breadth of influence will increase as part of the Commissioning Board

### **b) Health Scrutiny**

The Integrated Commissioning Strategy alongside the Outcomes Framework across Health and Social Care will be presented to Scrutiny and will be monitored through the Scrutiny Process. There will be Scrutiny across the entire commissioning spend across health and social care.

### **c) Ward members**

Ward co-ordination will be critical to ensure that members are able to influence arrangements in their local areas. Their sphere of influence will increase as

the Single Commissioning Function will cut across primary care, public health, community health services and adult social care. The involvement of Ward Councillors and the role of Ward Co-ordination will be worked through in collaboration with the other partners in the system.

## **5. Commissioning Programme**

- 5.1 The Council undertakes a complex portfolio of public health and social care commissioning, including a wide range of services in collaboration with the City's CCGs. The establishment of a Single Commissioning Function for the city will strengthen these arrangements, providing formal governance and accountability across a broader range of joint commissioning activity. A joint commissioning programme, setting out commissioning and decommissioning intentions, will be developed. Key priorities within that plan will include:

### **Local Care Organisation**

- 5.2 The CCGs and Manchester City Council are working with providers to commission a Local Care Organisation to provide out of hospital care for Manchester. This will bring together provision of health and social care services. This is a key pillar in the delivery of the Locality Plan

### **Single Hospital System**

- 5.3 Progression towards a Single Hospital Service (SHS) for Manchester has been supported by the Health and Wellbeing Board and the Boards of relevant organisations. This will see the coming together of Central Manchester Foundation Trust and University Hospitals of South Manchester FT into a single Foundation Trust. Subsequently the North Manchester General part of Pennine Acute Trust will shift into the City trust.
- 5.4 Arrangements are being developed to effectively commission the single hospital service from April 2017.

## **GM Commissioning for Reform Programme**

- 5.5 The Greater Manchester Commissioning for Reform Strategy sets out how commissioning will support ambitions to reform public services, through an investment-led approach. This means shifting activity so resources are freed up in one part of GM public services to be reinvested in another. It requires commissioning across organisational boundaries, making the best use of joint resources, so we invest collaboratively to achieve joint outcomes.

## **Greater Manchester 'Adult Social Care Radical Reform at Scale and Pace'**

- 5.6 The Greater Manchester Directors of Adult Social Care have developed a programme of work to achieve a radical upgrade in population health.
- 5.7 Working with colleagues across Greater Manchester, with lead roles in respect of fit for purpose residential and nursing home care and support services for people at home, the Council is developing innovative models of home, residential and nursing home care. These new services will be an integral part of wider system and multi-disciplinary team delivery. Using a strengths and asset based approach, these services will improve safety, experience and outcomes, reducing demand for high cost services.

## **Mental Health: Manchester Mental Health and Social Care NHS Trust**

### **Transaction and Mental Health Transformation**

- 5.8 The Council and CCG's are currently engaged in a process that will result in services currently delivered by Manchester Mental Health and Social Care NHS Trust transferring to Greater Manchester West NHS Foundation Trust following a competitive selection process managed by the Trust Development Authority. A detailed report, setting out the transfer process and timescales, as well as wider mental health transformation plans was considered by Executive in June 2016
- 5.9 The Single Commissioning Function will ensure that the wider programme of work required to deliver the ambitions set out in the Greater Manchester all age Mental Health Strategy and the Manchester Locality Plan transformation priorities are aligned and implemented.

## **6. Next Steps**

- 6.1 Subject to approval it is proposed that a working group be established to oversee the development of a design and implementation plan. This plan will consider all relevant issues, opportunities and risks, including those identified in section 3, above, plus:
- Confirmation of process and planning of the dissolution of the three CCGs and establishment of a new City-wide CCG and the partnership with Manchester City Council
  - A steering group comprising senior officers, Executive Members and CCG lay members to oversee the development of the Single Commissioning Function
  - Design of and appointment to the Single Commissioning Function executive team
  - Development and agreement of Commissioning Board terms of reference and impact on existing assurance fora
  - Development of a commissioning strategy and outcome framework setting out what will be commissioned (and decommissioned) by the Single Commissioning Function, ensuring that the relationship to Commissioners at Greater Manchester is well established



- Assurance that national allocations can be honoured by the new commissioning organisation for Manchester.
- Establishment of structures and approaches to local engagement and the role of citizens, Ward Councillors and Executive Members
- A clear implementation plan outlining what can be achieved by April 2017 (to include OD interventions and staff, clinician, and stakeholder engagement activities). This should also include a detailed risk mitigation plan.
- Clarify how the Single Commissioning Function will work with both the Local Care Organisation and the other commissioning functions in the City Council to ensure appropriate alignment.
- As a priority, co-develop a shared set of values and behaviours for all Single Commissioning Function staff.