



Cabinet

Date:	Monday, 16 January 2017
Time:	10.00 am
Venue:	Committee Room 1 - Wallasey Town Hall

Contact Officer: Andrew Mossop
Tel: 0151 691 8501
e-mail: andrewmossop@wirral.gov.uk
Website: <http://www.wirral.gov.uk>

AGENDA

1. MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

Members of the Cabinet are asked to consider whether they have any disclosable pecuniary and/or any other relevant interest, in connection with any item(s) on this agenda and, if so, to declare them and state the nature of the interest.

2. MINUTES

The minutes of the last meeting have been printed and published. Any matters called in will be reported at the meeting.

RECOMMENDATION: That the minutes be approved and adopted.

LEADER'S UPDATE

3. EXECUTIVE KEY DECISIONS TAKEN UNDER DELEGATED POWERS

Key Decisions – taken under delegated powers. Period 30 November, 2016 (date of publication of last Cabinet agenda) to date - none.

4. DELIVERING GROWTH IN WIRRAL - SECURING INVESTMENT (Pages 1 - 8)

5. NUMBER OF COUNCILLORS SCRUTINY REVIEW (Pages 9 - 44)

At its meeting on 30 November, 2016, the Environment Overview and Scrutiny Committee referred the Scrutiny Review, 'Number of

Councillors' to the Cabinet. A covering report, the Scrutiny Review and Minute are attached.

CABINET MEMBER REPORTS

6. INTEGRATION OF HEALTH AND CARE TRANSFORMATION PROGRAMME UPDATE (Pages 45 - 94)

7. ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR (PART 1)

To consider any other business that the Chair accepts as being urgent.

8. EXEMPT INFORMATION - EXCLUSION OF THE PRESS AND PUBLIC

The following items contain exempt information.

RECOMMENDATION: That, under section 100 (A) (4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information as defined by the relevant paragraphs of Part I of Schedule 12A (as amended) to that Act. The Public Interest test has been applied and favours exclusion.

9. ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR (PART 2)

To consider any other business that the Chair accepts as being urgent.



**COUNCILLOR PHIL DAVIES
LEADER OF THE COUNCIL**

**CABINET
16 JANUARY 2017**

**DELIVERING GROWTH IN WIRRAL –
SECURING INVESTMENT**

Councillor Phil Davies, Leader of Wirral Council said:

“In 2020 Wirral has to be self-sufficient – the only money we will have to invest in our borough, in the services residents rely on, will be the money we can raise ourselves. This simple fact puts strengthening our economy, supporting businesses to grow and encouraging businesses to move here and create jobs, at the top of our agenda.

“We are determined to ensure Wirral residents have access to good, high-paying jobs, at businesses which are supported to succeed and expand. The proposals contained within this report are part of our drive to achieve this.”

REPORT SUMMARY

The Wirral Plan: a 2020 Vision includes a number of outcomes and actions relating to economic growth within the Borough. This is based on the recognition economic development is a critical activity to support Wirral’s residents to access jobs, housing and achieve a good quality of life. To deliver the Wirral Plan the Council is taking an approach which will catalyse and encourage significant amounts of investment into the Borough, including creating appropriate delivery structures which can more easily work with and respond to the private sector.

In December 2016 Wirral Cabinet agreed a report ‘Delivering Wirral’s Growth’ which outlined proposals for creating a property company to drive forward investment, regeneration and secure increased income for the council, and officers were instructed to present an options appraisal to Cabinet in February 2017.

The December report also identified a number of actions which needed to be progressed in parallel to this work in order to capitalise on immediate opportunities for growth within the Borough and also to ensure the establishment of the proposed property company

would be supported by a strong and coherent offer to investors. Officers were authorised to progress these actions which included:

- More effectively promoting Wirral's growth agenda and potential to investors in a strategic, structured, highly professional and commercial fashion;
- Promote opportunities to existing businesses to secure improved and increased space;
- Ensure inward investment is managed in an integrated and strategic way with our partners;
- Join up partners, council, investors, businesses and residents around a single vision for Wirral's regeneration.

This report sets out the work officers have undertaken to scope these activities further and to identify how best they can be delivered. The report also sets out some key short term opportunities which are critical to raising Wirral's profile and therefore maximising its ability to attract investment. This includes ensuring Wirral's growth opportunities are developed into propositions for the international property forum, MIPIM, which takes place in March 2017. The MIPIM conference takes place annually and is the key event attended by the world's major development and investment companies looking for investment opportunities.

Officers have reviewed the options outlined in the December report as to the approach that could be adopted to deliver these activities and, given the need to capitalise on these events, to deliver at pace and provide a more co-ordinated offer to investors, it is proposed these actions can be most effectively and efficiently progressed through a combination of approaches including:

- work carried out in-house – utilising input from officers within the Strategic Hub;
- targeted and initially short term collaboration with key city region partners already active in this area of work. Liverpool Vision has expertise in both marketing and investment and their officers have worked across the city region on events such as the International Festival for Business. Liverpool Vision is currently organising the city region's input to MIPIM 2017;
- the creation of a short term post to drive investor development activity and to ensure that the investment market is fully alerted to the property company proposal.

This approach will enable work to be carried out in the short term to meet the timescales associated with MIPIM and the establishment of the Property Company, whilst allowing for a review to be undertaken after six months to establish whether there is a need for the activities to be continued in the light of the setting up of a property company and future city region activities.

The actions will support the Wirral Plan pledges as set out in the Wirral Growth Plan, including:

- Increase inward investment
- Greater job opportunities in Wirral Council
- Thriving Small businesses

This matter affects all Wards within the Borough. It is not a key decision. In light of the time critical nature of these activities it is considered necessary to request that call-in is waived

in this case. This will enable the activities to progress at once and therefore ensure that work is completed in time to meet deadlines for key events such as MIPIM. Due to the absence of the Chief Executive, and on his behalf, the Assistant Chief Executive recommends that call-in be waived.

RECOMMENDATIONS

Cabinet are requested to:

1. Authorise officers to work with Liverpool Vision over the next six months to develop the strategic narrative to underpin the proposed Property Company and to deliver value propositions for the promotion of Wirral's growth opportunities. This approach will be reviewed in line with emerging Combined Authority arrangements.
2. Authorise officers to create and advertise a temporary post to drive forward investor development activity and to carry out a review to determine whether there is a business case for the continuation of this post.
3. Given the urgency to implement these proposals, in order to deliver the time critical activities, Members are requested to agree that it is appropriate for call-in to be waived.

SUPPORTING INFORMATION

1.0 REASONS FOR RECOMMENDATIONS

- 1.1 Driving economic growth and ensuring Wirral is best placed to generate investment is vital to the future of the borough. The recommendations will ensure that the council is able to respond to immediate opportunities to generate investment and that the proposed property company will be supported by a clear offer that will maximise the potential of the company to deliver regeneration within the Borough.

2.0 OTHER OPTIONS CONSIDERED

The following options were considered:

2.1 Do Nothing

If no action is taken then the Wirral plan pledges relating to inward investment and business growth will not be achieved. In addition Cabinet authorised on 8.12.16 that officers should progress work on the range of actions outlined in the Report Summary.

2.2 Establish an in-house team

The council has limited resources with the experience and skills to work with investors. This option would not be able to be resourced in time to carry out the work needed to develop the strategic narrative and clear investment offer for the property company nor produce the value propositions required to stimulate the market at MIPIM.

2.3 Commission the activities

In the longer term Wirral is likely to wish to partner with others in the city region to undertake this type of work. However at this point in time there is not yet agreement as to how this work will be organised and delivered. In addition, this approach would not utilise the capacity of in-house staff nor provide the clear client management focus that is required to attract investment that requires a strong understanding of the Borough's economic opportunities and growth potential. This option would not deliver the activity that has been agreed within the required timescales.

2.4 Create a separate function to undertake the work

Work is progressing with regards to the proposal to establish a Property Company to bring forward site specific development activity and an options appraisal will be brought back to Cabinet in February 2017. Wirral is likely to wish to consider partnering with others in the city region on a longer term basis to undertake the investor promotion and development work but there is not yet agreement as to how this work will be organised and delivered. Given the importance of work taking place immediately to capitalise on events and investment opportunities occurring within the next six months, this option would not deliver the actions within the required timescales.

3.0 BACKGROUND INFORMATION

- 3.1 In December 2016 Wirral Cabinet agreed a report 'Delivering Wirral's Growth' which outlined proposals for creating a property company to drive forward investment, regeneration and secure increased income for the council, and officers were instructed to present an options appraisal to Cabinet in February 2017 (Cabinet 8.12.16 Min 66 refers).

- 3.2 The December report also identified a number of actions that needed to be progressed at once in order to capitalise on immediate opportunities for growth within the Borough and to ensure that the establishment of the proposed property company would be supported by a strong and coherent offer to investors. Officers were authorised to progress these actions in advance of the February Cabinet report on the Property Company.
- 3.3 Officers have carried out further work into scoping the activities that need to be progressed and the following objectives were identified:
- To market Wirral as a world class investment location for its key sectors by taking the existing collateral and research and turning this into a compelling case for investors in a way that is co-ordinated with the city region and local businesses / partners
 - To use the above to develop the value propositions for MIPIM and to develop a strategically targeted outreach, marketing and lead-generation campaign
 - To support Wirral to attract significant investors as a Joint Venture partner for the proposed Property Company
 - To provide more effective and responsive client management to the opportunities available in Wirral and to co-ordinate and involve the relevant personnel within the council and key partners as appropriate.
- 3.4 The options put forward to deliver the activities outlined in the December report were interrogated in the light of these objectives and the timescales associated with them. This included the short term driver of MIPIM to raise the profile of the Council and the emerging opportunities within Birkenhead. Some of these activities are currently addressed to a degree by a range of officers, but that there is no current capacity to undertake the value proposition work, nor dedicated support to ensure a consistent interface with investors. If greater interest is to be generated then a clearer co-ordinated client management function is required. As a result it is proposed that the following approach is progressed, overseen by the Strategic Commissioner for Growth:
- work carried out in-house – utilising input from officers within the Strategic Hub, drawing on communication, marketing and investment expertise. However, as outlined above existing skills and capacity do not include in-depth investor development or client management work and greater focus is required in this area;
 - a six-month collaboration agreement with a key city region partner already active in this area of work. Liverpool Vision has expertise in both marketing and investment and their officers have worked across the city region on events such as the International Festival for Business. Liverpool Vision is currently organising the city region's input to MIPIM 2017 and therefore the creation of collateral and marketing material to reflect Wirral's opportunities at this event presents value for money as well as access to a wider pool of skills and the flexibility to respond to investor requirements;
 - the creation of a short term post to drive investor development activity and to ensure that the investment market is fully alerted to the property company proposal. In addition to bringing co-ordination to the work, this post is required in order to bring skills and in-depth knowledge of the investment market. There is

currently not sufficient capacity within the Council to undertake this role. This will ensure that the investor interface and subsequent lead generation activity is sufficiently progressed within the next few months in order to ensure that the most appropriate investor is secured in respect of the proposed property company and in addition that development opportunities are progressed at speed.

4.0 FINANCIAL IMPLICATIONS

A budget of up to £80,000 has been identified which will be resourced from the Transformation and Strategic Hub budgets, but this will need to be finalised once the temporary post has been evaluated by HR. The financial implications associated with the proposed Property Company will be considered as part of the options appraisal presented to Cabinet in February 2017.

5.0 LEGAL IMPLICATIONS

Any legal implications related to the proposed Property Development Company will be detailed in the report to be considered at Cabinet in February 2017.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

The Job Description for the Investor Development post will be evaluated through the Council's HR processes. In order to ensure that the activities to be undertaken by this post are taken forward as quickly as possible, further discussions will take place in parallel with Liverpool Vision as to the detail of their commission. This will include discussion with regards to additional resource to enable that organisation to carry out the full range of activities. If this is not possible then the council will carry out a recruitment process to secure the post on an interim consultancy basis. A review will be carried out to ascertain whether there is a need for the activities to continue after this period.

7.0 RELEVANT RISKS

If the recommendations outlined in the report are not implemented the scale of the investment that could be attracted to Wirral would not be realised. In addition the achievement of the Wirral Plan pledges to attract inward investment and support thriving businesses would be put at risk.

8.0 ENGAGEMENT/CONSULTATION

This report is consistent with the principles of Wirral's Growth Plan which provides the framework for securing investment and growth within the Borough and for delivering the Wirral Vision pledges. This has been developed through extensive consultation with partners and has also been informed by consultation which has taken place with a number of private sector partners and local businesses through Invest Wirral's Business Forum.

9.0 EQUALITY IMPLICATIONS

The potential impact has been reviewed with regard to equality and links to the existing EIA conducted for Wirral's Investment Strategy.

<http://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-2010-0>

Equality impact assessments will need to be undertaken as part of the business case development process for the proposed Property Company.

REPORT AUTHOR: Sally Shah
Lead Commissioner – Place and Investment
telephone: (0151 691 8148)
email: sallyshah@wirral.gov.uk

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet: Delivering Wirral's Growth	8 th December 2016

This page is intentionally left blank



**COUNCILLOR PHIL DAVIES
LEADER OF THE COUNCIL**

**CABINET
16 January, 2017**

**NUMBER OF COUNCILLORS
SCRUTINY REVIEW**

Councillor Phil Davies, Leader of the Council - Strategic Economic Development, Finance and Devolution, said:

“This type of in-depth ‘task and finish’ review is an example of the Council’s approach to overview and scrutiny having a real impact on policy development and important decisions. This particular report is extremely helpful, with Members of all three main political parties in Wirral providing a detailed review and analysis of the subject.”

REPORT SUMMARY

This report sets out the findings from a Scrutiny Review of the number of councillors in Wirral completed in November 2016. The Review was commissioned by the Environment Overview & Scrutiny Committee in response to a Notice of Motion presented to Council in October 2014.

The review considered the role of the local councillor in Wirral, the role of the Local Government Boundary Commission for England and the available data comparing the number of Councillors in Wirral with other local authorities in England. Panel Members sought to reach an informed view on whether the Council should actively progress a referral to the Local Government Boundary Commission for England to conduct an Electoral Review.

This work aligns with the Wirral Plan Pledge – Community Services are Joined up and Accessible. The report affects all wards in the borough, but is not a key decision.

RECOMMENDATION/S

- Cabinet endorses the findings of the report and approves the recommendation arising from this review. It is further recommended that Cabinet refers the report to Council for endorsement of the review findings.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

1.1 For Cabinet to endorse the findings of this review.

2.0 OTHER OPTIONS CONSIDERED

2.1 No other options have been considered.

3.0 BACKGROUND INFORMATION

3.1 The report of the scrutiny review (included as an appendix to this report) sets out the findings from the work completed in November 2016. The Review was commissioned by the Environment Overview & Scrutiny Committee in response to a Notice of Motion presented to Council in October 2014.

3.2 The scope of the scrutiny review focussed on determining whether the number of councillors per ward in Wirral is appropriate. This was considered within the context of the Council's stated priorities and key challenges. In addition, an assessment was undertaken to determine whether the number of councillors in Wirral was consistent with comparable local authorities and national averages.

4.0 FINANCIAL IMPLICATIONS

4.1 There are none arising from this report.

5.0 LEGAL

5.1 There are none arising from this report.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 There are none arising from this report.

7.0 RELEVANT RISKS

7.1 There are none arising from this report.

8.0 ENGAGEMENT / CONSULTATION

8.1 N/A.

9.0 EQUALITY IMPLICATIONS

9.1 There are no equality implications, this report is provided for information.

REPORT AUTHOR: **Patrick Torpey**
Scrutiny Officer
Telephone: (0151) 691 8371
Email: patricktorpey@wirral.gov.uk

APPENDICES

Appendix 1 – Number of Councillors Scrutiny Review Report

REFERENCE MATERIAL

N/A

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Environment Overview and Scrutiny Committee	30 November 2016



**Number of Councillors
Scrutiny Review**

**A report produced by a Scrutiny Panel of
The Environment Overview & Scrutiny Committee**

November 2016

WIRRAL BOROUGH COUNCIL
NUMBER OF COUNCILLORS SCRUTINY REVIEW
FINAL REPORT

CONTENTS

1	INTRODUCTION.....	3
2	CHAIR’S STATEMENT & REVIEW PANEL.....	4
3	EXECUTIVE SUMMARY & RECOMMENDATION.....	5
4	METHODOLOGY.....	6
5	FINDINGS.....	7
6	CONCLUSION AND RECOMMENDATION.....	22
	REFERENCES & APPENDICES.....	23

1.0 INTRODUCTION

In light of the current economic climate and changes to council services, the size of Wirral Council (Number of Councillors), was questioned via a Notice of Motion to Council in October 2014, proposing that Wirral reduced its number of councillors from 66 to 44.

This included a request to invite the Local Government Boundary Commission for England (the Commission) to conduct an electoral review in Wirral. An electoral review would consider, amongst other things, the number of councillors.

The Notice of Motion was referred to Coordinating Committee and was considered by committee in September 2015. The following resolution was made by Coordinating Committee:

The Committee considers that factors to be considered when determining what constitutes proper, fair representation of Wirral's population go beyond simply numbers and so proposes that it establishes a Task and Finish Panel to undertake a more in depth examination of the issues and that this be added to the Committee's Work Programme.

Following changes to scrutiny arrangements in 2016, this work programme item was referred to the Environment Overview and Scrutiny Committee. In September 2016 the Environment Overview & Scrutiny Committee approved the Committee's Annual Work Programme, which included a Task and Finish review of the Number of Councillors at Wirral Council. A review panel was subsequently convened to explore this issue further.

A cross-party Panel of five Members was established and the review commenced in October 2016. The following objective was agreed by the Panel:

To determine if the number of councillors and councillors per ward in Wirral is appropriate with regard to the Council's stated priorities and key challenges, and if the number of councillors in Wirral is consistent with comparable local and national authorities.

Over a number of weeks a series of sessions were convened to consider the issues surrounding this subject, including the role of the local councillor in Wirral, the role of the Commission and a review of data around the number of councillors in Wirral and other local authorities in England. Panel Members aimed to reach an informed view on whether the Council should actively progress a referral to the Local Government Boundary Commission for England to conduct an Electoral Review. This report sets out the findings of the review and the recommendations arising.

2.0 CHAIR'S STATEMENT & REVIEW PANEL

Councillor Phillip Brightmore (Chair)



I believe the findings of this investigation speak broadly for themselves. To speculate further upon those findings here risks undermining the analytical, data-led approach I and others have been careful to maintain.

I note only that the electoral arrangements employed by Wirral Borough Council compare favourably to its statistical neighbours; that those arrangements do not fall foul of any indicators prescribed by the Local Government Boundary Commission for England (the Commission), and therefore do not trigger a Further Electoral Review; and that only the Commission may direct Local Authorities to alter those arrangements. Local Authorities may not alter electoral arrangements themselves.

I invite careful consideration of this report, and thank those Councillors and Officers who contributed to its creation

Councillor Moira McLaughlin



Councillor Chris Carubia



Councillor Steve Foulkes



Councillor Adam Sykes



3.0 EXECUTIVE SUMMARY & RECOMMENDATIONS

Having reviewed the role of the Local Government Boundary Commission for England and its processes and timescales for Further Electoral Review, the Panel found that preparing for and undergoing a review would be a lengthy and resource-intensive process, with a less than certain outcome.

The Panel were reassured by the benchmarking data reviewed, which suggested that the current number of councillors in Wirral represents a good degree of electoral equality. Ward level data showed that Wirral is within the Commission's criteria for electoral equality across wards and would not trigger their threshold for a Further Electoral Review. The Panel was satisfied that the cost of councillors to Wirral, in comparison with other local and national councils, was among the lowest viewed. This position was shared by the Independent Panel on Members Allowances in its June 2016 Report.

The role of councillors was explored as part of the Review. Whilst the role of councillor was hard to quantify, the Panel was satisfied that the evidence demonstrates a role which is wide ranging and as diverse as the communities which councillors in Wirral represent. Being a councillor also places a considerable time demand on those who undertake the role and it was the Panel's opinion that a reduction in councillors would increase this time demand. A significant reduction in the number of councillors may also affect the ability of the Council to carry out its functions effectively. In the current political and economic climate councils are undergoing significant change and the councillor role is evolving and adapting to meet new challenges presented. In Wirral, perhaps the extent of this is not yet fully understood and this may not be right time to consider a review of the number of councillors.

Based on the findings set out in section 5 of this report, the Panel has developed the following recommendation:

Recommendation: Having regard to the evidence presented, the Panel notes that the number of councillors in Wirral is consistent with comparable local authorities. Consequently, the Panel recommends that the Council does not request the Local Government Boundary Commission for England conduct a review of its electoral arrangements at this time.

4.0 METHODOLOGY

Written Evidence

The Review was informed by written evidence including reports from other local authorities and documents from the Local Government Boundary Commission for England and the Local Government Association. To support the evidence gathering sessions officers prepared a number of briefing papers and presentations.

Evidence Gathering Sessions

In order to further understand the issues, the panel used dedicated sessions to examine a number of documents and data comparing Wirral with other local authorities in England. The timetable of sessions is set out below:

Evidence Gathering Session 1

The Role of Councillors and the Role of the Local Government Boundary Commission for England, Wednesday 9th November 2016

Evidence Gathering Session 2

The Number of Councillors – Data Analysis, Wednesday 16th November 2016

5.0 FINDINGS

5.1 Local Government Boundary Commission for England (the Commission)

In order to assist the Panel in considering if a referral to the Commission should be pursued, the Panel was keen to fully understand the role of the Commission and to establish their statutory obligations, remit, and to identify the circumstances under which a review of councillors would take place.

The Local Government Boundary Commission for England (the Commission) was established by Parliament under the provisions of the Local Democracy, Economic Development and Construction Act 2009. Independent of central and local government, and political parties, it is directly accountable to Parliament through a committee of MPs chaired by the Speaker of the House of Commons. The Commission's objectives are:

1. To provide electoral arrangements for English principal local authorities that are fair and delivers electoral equality for voters.
2. To keep the map of English local government in good repair and work with principal local authorities to help them deliver effective and convenient local government to citizens.

The Commission is responsible for conducting three main types of review of local government: Electoral Reviews, Principal Area Boundary Reviews and Structural Reviews. For the purposes of this scrutiny review, the Electoral Review is most relevant.

Electoral Reviews

The Local Democracy, Economic Development and Construction Act 2009 requires the Commission to conduct Periodic Electoral Reviews (PERs) of every principal local authority in England. Electoral Reviews are reviews of the electoral arrangements of local authorities: the number of councillors, the names, number and boundaries of wards and electoral divisions and the number of councillors to be elected to each. Electoral reviews are initiated primarily to improve electoral equality. This means ensuring, so far as is reasonable, that each councillor elected to a local authority represents the same number of electors. However, electoral reviews can also be carried out at a local authority's request, for example to look at council size (the total number of councillors) or provide for single-member wards or divisions. This is called a Further Electoral Review (FER). The Commission is responsible for putting any changes to electoral arrangements into effect and does this by making a Statutory Instrument or order. The local authority then conducts local elections on the basis of the new arrangements set out in the order. Under current legislation, this is the only mechanism for a council to make changes to its number of councillors.

Wirral Council's electoral arrangements were last reviewed by the Commission in 2003 as part of a programme of PERs of all 386 principal local authority areas in England. The final report and recommendations from this review is available on the Commission website <https://www.lgbce.org.uk/current-reviews/north-west/merseyside/wirral>.

The recommendations are summarised below:

- Wirral Metropolitan Borough Council should have 66 councillors, as at present;
- There should be 22 wards, as at present;
- The boundaries of all of the existing wards should be modified.

The purpose of these proposals is to ensure that, in future, each borough councillor represents approximately the same number of electors, bearing in mind local circumstances.

- In 20 of the proposed 22 wards the number of electors per councillor would vary by no more than 10% from the borough average.
- This improved level of electoral equality is expected to improve further, with the number of electors per councillor in all wards expected to vary by no more than 10% from the average for the borough in 2006.

(LGBCE Final recommendations on the future electoral arrangements for Wirral, Report to The Electoral Commission, March 2003)

The recommendations from the last review of Wirral's electoral arrangements refer to the number of electors per councillor in each ward. This is considered by the Commission as a measure of electoral equality and the Commission's technical guidance states that Council's electors per councillor ratios in each ward should not vary significantly from the council average. A FER will be triggered if this variance exceeds a stated threshold:

When the electoral variances in representation across a local authority become notable, a further electoral review (FER) is required. Our criteria for initiating a FER in those circumstances is as follows:

- More than 30% of a council's wards/divisions having an electoral imbalance of more than 10% from the average ratio for that authority; and/or
- One or more wards/divisions with an electoral imbalance of more than 30%;
- And the imbalance is unlikely to be corrected by foreseeable changes to the electorate within a reasonable period.

We monitor the levels of electoral imbalance across all local authorities in England annually, and those that meet the above-mentioned criteria will, at some point, be included in our review programme.

(LGBCE Electoral Reviews Technical Guidance, April 2014)

As part of this review, the Panel investigated the electoral variance in Wirral currently and this is described in section 5.3.

Although timescales for completion of a Further Electoral Review will vary, the technical guidance provided by the Commission outlines an indicative timescale, which estimates that it would take between 18 to 24 months from the preliminary discussion stage to a Statutory Instrument Order to being made to Parliament.

Councils deciding to commission a Further Electoral Review must make a formal request to the Commission and submit their own evidence based proposals for council size. The Commission will consider these proposals during the preliminary investigation stage. Technical Guidance has been published by the Commission to assist councils with developing their proposal, or 'submissions'. Submissions must include information and evidence to support proposals on how the number of councillors affects three areas: Governance and Decision Making, Scrutiny Functions and the Representational Role of Councillors. The Commission also expects councils to consider and anticipate future changes which may affect the council's structure or services when making proposals on council size.

A FER must take into account the likely changes to electorate over a five year period from the date of the Commission recommendations. To assist with this, the Commission requires all councils undergoing review to prepare and submit electorate forecasts for review alongside their submission documents.

Recent Electoral Reviews

The Notice of Motion which led to this review referred to Knowsley Borough Council's recent FER and the resulting reduction of councillors from 63 to 45. The review of Knowsley Council was conducted in July 2014 following a request by the Council in order to consider council size. Knowsley had high levels of electoral inequality with 29% of wards having a variance of more than 10% from the average for the borough and one ward, Longview, had a variance of 23%. The Commission's final recommendations proposed that Knowsley should reduce its number of councillors from 63 to 45, representing 15 three-member wards. A number of ward boundaries were changed and as a result of these changes, parish council electoral arrangements were also revised.

Further discussion at Coordinating Committee highlighted another local authority, Warrington Borough Council, who's FER in 2015, resulted in an increase in councillors from 57 to 58. This review was triggered by high levels of electoral inequality in Warrington which exceeded the Commission threshold, with 41% of wards having a variance of more than 10% from the average for the borough. The Commission's final recommendations proposed that Warrington Council should comprise 58 councillors (an increase of 1), serving 8 two member wards and 14 three-member wards. Some ward boundaries were changed and as a result of these changes, parish council electoral arrangements were also revised. It should be noted that both of the above

councils have smaller electorates (Knowsley 113,590, Warrington 163,078) than Wirral. Both councils also differ from Wirral in that both have parish and town councils.

A study of these and the most recent reviews published on the Commission website shows that of 19 recent reviews, 10 had resulted in a reduction of councillors, 3 in an increase, and 6 in no change to the number of councillors. Whilst this shows a trend towards a small reduction in Members (average reduction among the ten councils which reduced their number of councillors was 4.2 Members), the Commission does not seek to reduce numbers as one of its aims. It should be noted that in the large majority of these cases the Commission's recommendations matched the councils own proposals. The Panel observed that there is no certainty of outcome with a FER.

Having reviewed the role of the Commission and the procedures and timescale for a Further Electoral Review, the Panel found that the process of preparing for and undertaking a review would require significant resources in terms of officer and councillor time. The Panel also acknowledged that this would not be a quick process, with reviews taking up to two years to complete.

The Panel believe that it would be beyond the scope of this review to attempt to replicate a council submission and formulate proposals regarding council size. The Panel accept that this would take a significant amount of time and resources. Rather, the Panel's scope and focus remained on establishing if there is a case for Wirral to request a FER, using evidence such as Wirral Council electorate data and financial information, benchmarking against other councils, and an exploration of the role and caseload of councillors.

5.2 Data Analysis and Benchmarking

The Panel sought to understand the position of Wirral Council against its neighbours and other similar local authorities in England to help develop an opinion on whether Wirral's number of councillors, levels of electoral equality and costs of councillors were consistent with those of other local authorities. The Panel reviewed a number of pieces of benchmarking data to inform this opinion.

In 2015 the Office for National Statistics estimated Wirral's resident population at approximately 320,300. In December 2014 Wirral's electorate was 235,181. On electorate size, Wirral is the 49th largest of 351 councils in England.

Wirral currently has a council size of 66 councillors across 22 wards with a councillor to elector ratio of **1:3,563**. The average ratio for all English councils is 1 councillor per 2828 electors. Wirral Council ranks as 47th highest number of electors per councillor of 351 English councils. (Source Local Government Boundary Commission for England data set December 2014).

As a recognised indicator of electoral equality used by the Commission, the Panel wanted to compare Wirral with a number of local and statistical neighbours to determine if Wirral had better or worse electoral equality than other comparable local authorities.

The data in Chart 1 below demonstrates that Wirral councillors on average represent more electors than all of its geographical neighbours. The average ratio for the group of councils is 1:2,976.

Chart 1. Data Source: LGBCE Dec 2014

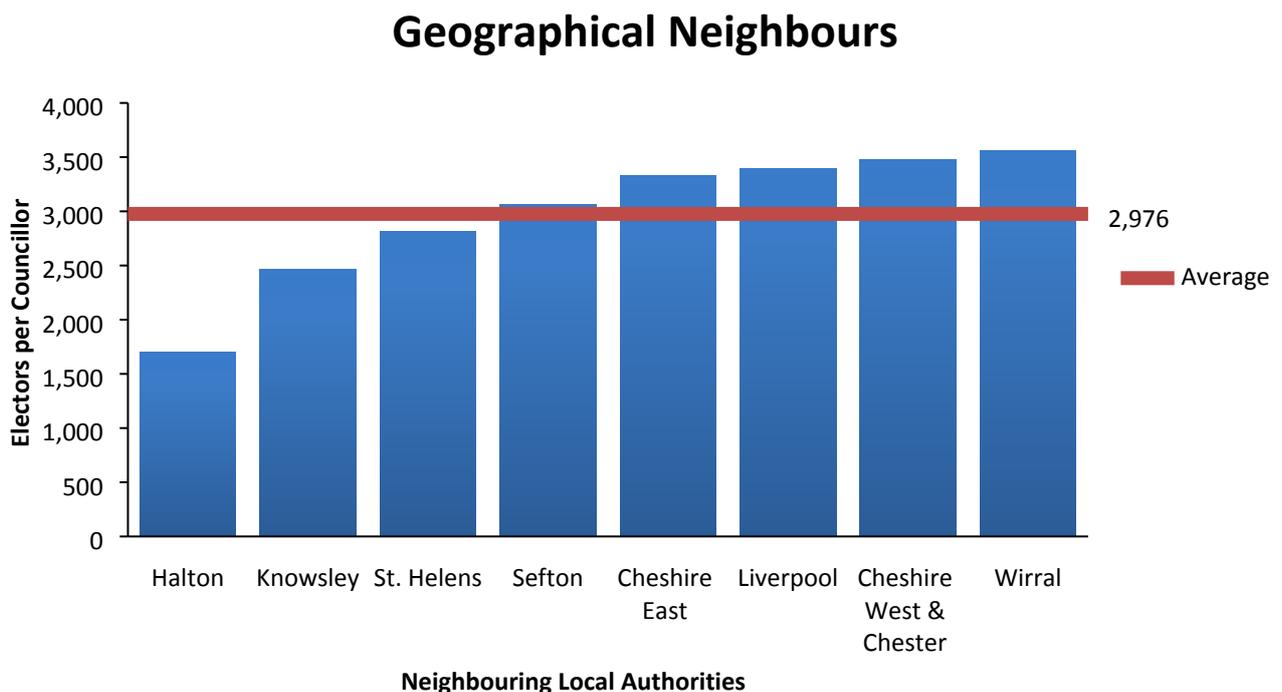
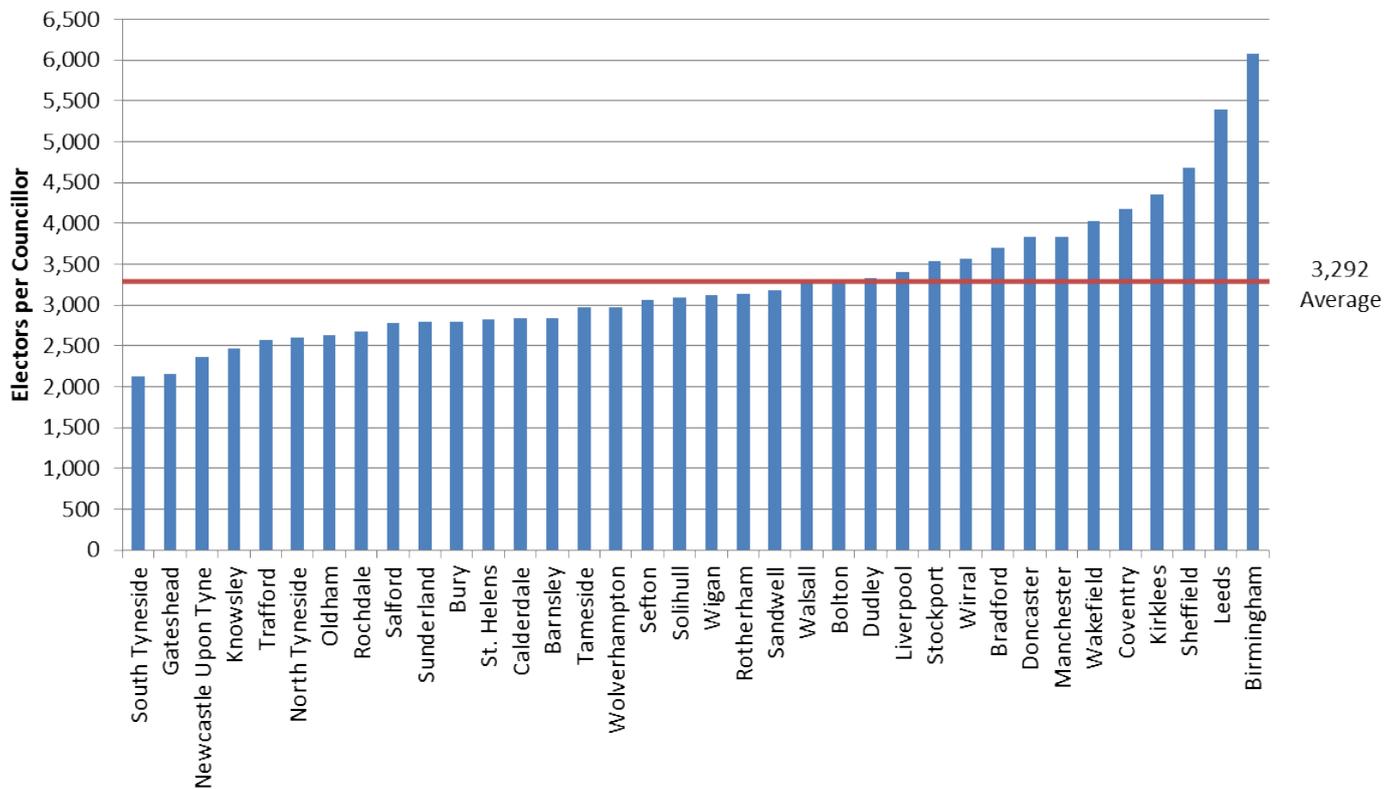


Chart 2 below compares Wirral with other metropolitan district authorities in England. The average councillor to elector ratio for this group of councils is 1:3,292, shown by the red line. Wirral Council is above average in this group, with a ratio of 1:3,563. Wirral ranks as 10th out of this group of 36 councils in terms of the most electors represented by each councillor.

Chart 2. Data Source: LGBCE Dec 2014

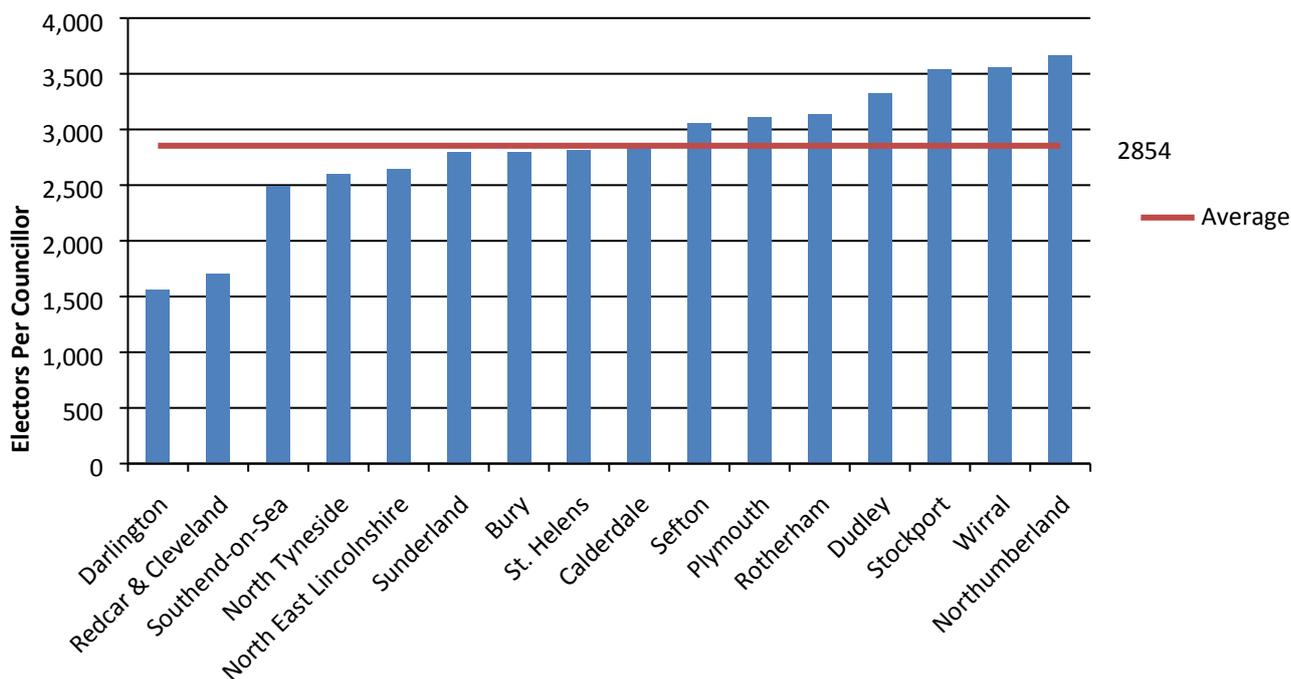
Metropolitan District Authorities



The Panel wished to compare Wirral against authorities with similar socio-economic profiles across the country. In order to select a comparison group of councils, the Chartered Institute of Public Finance and Accountancy (CIPFA) Nearest Neighbour Model was used. This model groups councils using a number of socio-economic indicators. Chart 3 below compares Wirral with a group of statistical neighbours. The average councillor to elector ratio for this group is 1:2,854. Wirral Council is above average in this group, with a ratio of 1:3,563 and ranks 2nd out of 16 councils in terms of the most electors represented by each councillor.

Chart 3. Data Source: LGBCE Dec 2014

Statistical Neighbours



In reviewing this data, the Panel observed that councillors represent the entire population in their wards and not simply those on the electoral register. In focussing on electorate figures only, the Panel was concerned that this ignored the work that councillors do to represent children and families.

By way of acknowledging the Panel’s concerns over the use of electorate figures and not population figures when reviewing council size, the Commission says:

“A local authority provides services to those people who are not registered to vote and a Councillor may represent them, but it is through our consideration of community identities and the convenience and effectiveness of local government that those people come into our reckoning. When we talk about the equality of representation, or electoral equality in a review of a local authority’s electoral arrangements, we are therefore referring to those people who are on the electoral register and entitled to vote in local government elections.”

(LGBCE Electorate Forecasts– A Guide for Practitioners Guidance, October 2011)

Ward Level Data

Recognising that one of the Commission’s triggers for conducting an electoral review is the variation of electoral representation between wards, i.e. the extent to which the numbers of electors represented by councillors in a council differs across its wards, the Panel was keen to explore this further and determine the level of variation across Wirral’s 22 wards currently. The

table below shows the total electorate and the electors per councillor figures for each ward in Wirral. The table also shows the percentage variation in each ward from the Wirral average.

Accepting the Commission advice that perfect electoral equality is unlikely to be achieved across any local authority, the Panel was reassured that there is a high level of electoral equality across the borough, with 20 of the 22 wards having a variation of less than 10% from the average and the highest percentage variation being Upton at 12% above the average.

Further analysis of this data shows that the electoral variance between wards in Wirral does not exceed the Commission threshold for undertaking a Further Electoral Review. The Commission criteria for initiating a FER requires that more than 30% of a council's wards have an electoral imbalance of more than 10% from the average ratio for that authority and/or one or more wards has an electoral imbalance of more than 30%.

There are 2 Wards (9% of Wards) in Wirral with an electoral imbalance of more than 10% from the average ratio for the authority. There are no wards in Wirral with an electoral imbalance of more than 30%. Based on this data the Panel was satisfied that the Commission would not initiate a review of Wirral Council on the grounds of electoral inequality.

Table 1. Data Source: Wirral Council Electoral Services September 2016

Ward	Total Electorate	Number of Councillors	Electors per Councillor	% Variance from Average
Bebington	12,181	3	4060	+9
Bidston & St James	10,368	3	3456	-7
Birkenhead & Tranmere	10,085	3	3362	-9
Bromborough	11,728	3	3909	+5
Clatterbridge	11,703	3	3901	+5
Clughton	11,504	3	3835	+3
Eastham	11,296	3	3765	+1
Greasby, Frankby & Irby	11,613	3	3871	+4
Heswall	11,032	3	3677	-1
Hoylake & Meols	10,702	3	3567	-4
Leasowe & Moreton East	10,984	3	3661	-1
Liscard	11,348	3	3783	+2
Moreton West & Saughall Massie	10,921	3	3640	-2
New Brighton	11,355	3	3785	+2
Oxton	11,292	3	3764	+1
Pensby & Thingwall	10,583	3	3528	-5
Prenton	10,985	3	3662	-1
Rock Ferry	9,991	3	3330	-10
Seacombe	10,482	3	3494	-6
Upton	12,467	3	4156	+12
Wallasey	11,994	3	3998	+8
West Kirby & Thurstaston	10,488	3	3496	-6

Total Electorate	245,102			
Average Electors Per Councillor			3714	

Note on data: The ward level data above was collected in September 2016 and therefore shows different total electorate and average number of electors per councillor figures for Wirral Council than data presented in the earlier benchmarking charts. Whilst the ward data is more current, the figures presented earlier were based on LGBCE data sets from Dec 2014. As this data was used to benchmark Wirral against others at a point in time, Wirral's position at that point was used, to allow fair and accurate comparisons.

Cost of Councillors

The Panel recognised that the original Notice of Motion which led to this review included references to reducing the number of councillors as a means of saving money in the current climate. The Panel sought to ascertain the cost of councillors to Wirral, and requested figures on annual Members allowances and other associated costs in order to establish, via benchmarking, if Wirral's councillors provided good value for money and what level of saving could be achieved in the event of a reduction.

Information showing the annual cost of Members to the Council for 2015/16 was presented to the Panel. These figures included Members allowances and other costs and overheads such as admin, buildings, stationery, telephone bills etc. The table is attached as Appendix B. The total figure for 2015/16 is £964,106 and the average cost per councillor is £14,608.

This information included a calculation of the proposed saving which could be achieved if the number of councillors was reduced from 66 to 44. The estimated saving from a reduction in councillors to 44 was £321,369. The Panel acknowledged this annual saving, although it noted that this figure of 44 councillors was arrived at arbitrarily and Wirral would need to determine its own proposals on council size and this along with any Commission review would determine any change in number, and therefore any actual saving. Furthermore, any savings calculation would need to take into account a likely rise in officer costs associated with increased demand on resources as a result of a reduction in councillor numbers. Nonetheless, as an illustrative figure, the Panel acknowledged that this would represent a considerable saving.

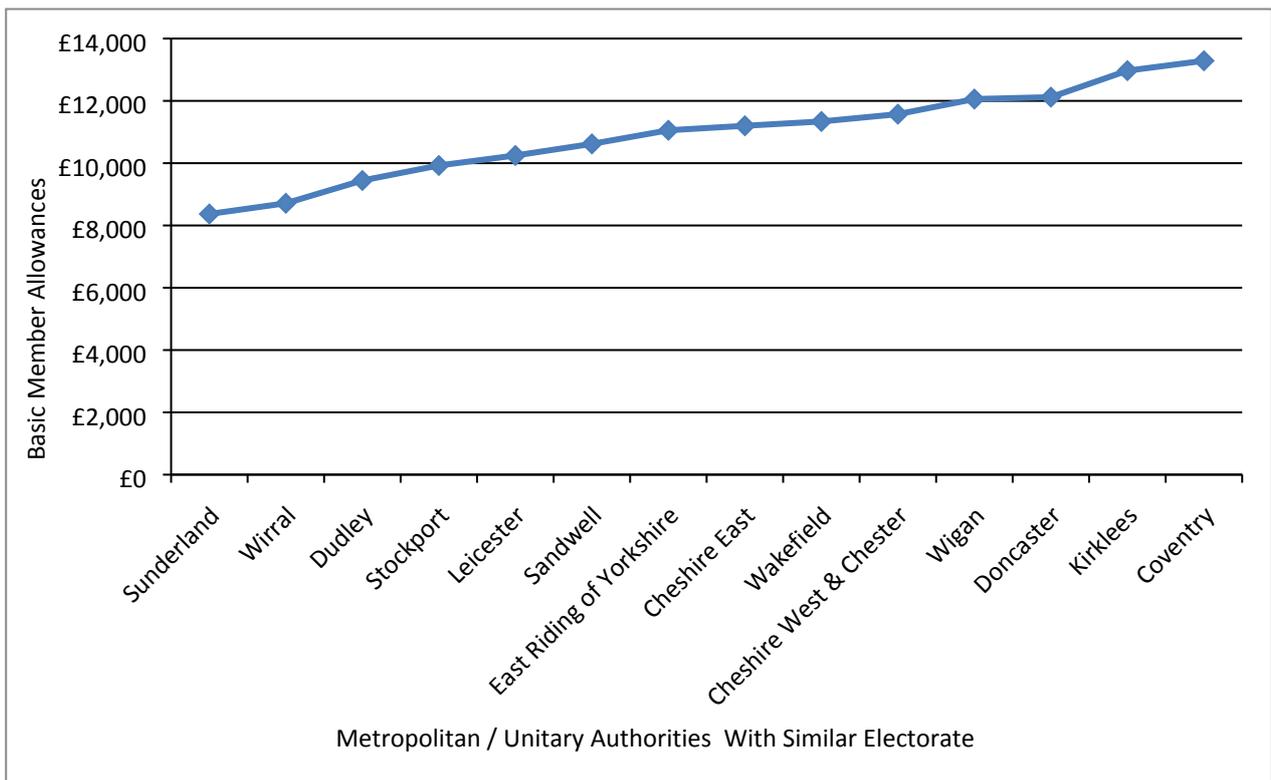
The Panel reviewed data from the Independent Panel on Members Allowances Report, June 2016, Appendix C. The report considered comparisons of Members' allowances with other Merseyside and Cheshire councils and found that allowances paid to Members in Wirral were in the lower quartile. Table 2 provides a summary of basic allowances paid by these councils in 2015/16. The Panel was reassured that Wirral spends less than a number of its geographical neighbours in terms of basic and special responsibility Member allowances.

Table 2. Source: Independent Panel on Members Allowances 2016

Authority	Basic Allowance
St Helens (48)	£7,626
Warrington (58)	£7,911
Halton (56)	£8,262
Wirral (66)	£8,712
Sefton (66)	£8,794
Knowsley (45)	£9,109
Liverpool (90)	£10,077
Cheshire East (82)	£11,200
Cheshire West and Chester (75)	£11,573

To provide wider comparisons regarding Member allowances, the Chart below compares the basic Members' allowances of a number of metropolitan and unitary authorities with a similar electorate size to Wirral. The Panel was further reassured by this data as it illustrates that Wirral has the second lowest basic Member allowance compared with 16 other councils of a similar size and type.

Chart 4. Source: Council Websites



Having reviewed the data on costs of Members in Wirral and comparisons with other local and national councils, the Panel was satisfied with the amount of money that Wirral spends on Members allowances.

5.3 The Role of the Ward Councillor

The Panel recognised that data analysis and benchmarking would only form part of their considerations. It acknowledged that councils and communities have their own unique characteristics and council services and structures should be tailored to the needs of individual areas. A reliance on direct comparisons and statistics alone would not allow the Panel to form a reasoned judgement on the suitability of the current number of councillors in Wirral.

Therefore, the Panel felt that some investigation into the roles and responsibilities of the councillor in Wirral was necessary in order to understand if the current electoral arrangements enable Wirral councillors to provide effective local leadership and representation, and to support the stated vision and aims of Wirral Council.

Defining the Role of the Councillor

The Panel was eager to find a definition of the role of the councillor in general terms as a starting point. The Panel reviewed an interim report from The Councillor Commission, set up by the Local Government Research Unit and The Municipal Journal, October 2016. The aims of this commission were to conduct an independent review of the role and work of the councillor and of the contribution made by councillors to the governance of their communities. The Councillor Commission has sought the views of councillors and those who work with them and has conducted a number of meetings with different councillors around the country and received 147 written submissions so far. The Panel found the Councillor Commission definition of the councillor as a useful reference point and agreed with the report which describes the councillor role under three themes; as a representative of their community, to influence the policies and services of the council, and with an increasing role to interact with external organisations, either as a governor, or to influence, challenge, or scrutinise their services.

Wirral Council defines the role and responsibilities of the councillor in its Constitution through The Members Role Profile and The Members Allowance Scheme List of Approved Duties. The Members Role Profile describes the different councillor roles, duties and entitlements as a Ward Member and Member of Full Council. It also describes the roles and duties as Leader and Cabinet Portfolio Holder as well as a member of scrutiny and other committees. The Members Allowance Scheme List of Approved Duties includes a list of outside bodies which Councillors may be appointed to. The Panel believe that these documents demonstrate the breadth and variety of the roles of the councillor in Wirral.

What is clear to the Panel is the difference between broad 'role' definitions, such as 'local leader' 'champion', 'representative', 'scrutineer' and the more list-like responsibilities in terms of the tasks or obligations that councillors are required to undertake, such as membership of committees, appointments to outside bodies etc. The Panel felt that even with comprehensive definitions such as those above, there are other aspects of the role of the councillor which are not fully captured or quantified.

Quantifying the Role of the Councillor

The Panel believes that it is difficult to quantify exactly the role of the modern councillor. From reviewing evidence such as the Councillor Commission report and other council's submissions in preparation for an electoral review, it is clear that this view is shared widely. As part of their submissions to the Commission, a number of councils listed the roles and responsibilities of councillors as set out in their constitutions, and many listed the committees, panels and sub-groups which members are required to attend. A number of councils conducted surveys and questionnaires to find out councillors views on their workload and responsibilities.

The Panel had sight of the Local Government Association Census of Local Authority Councillors, 2013. Their survey, responded to by 6,902 councillors across England provided a number of findings regarding councillors views of their role and workload. The survey found that councillors reported spending on average 25.1 hours per week on council business and group / party business. In metropolitan authorities this figure was higher still, with councillors among this group reporting that they spend on average 30.9 hours per week on council business and group / party business. The Panel found this information useful in that it reveals the significant time demands on councillors.

The Panel believe that the average weekly hours spent by councillors quoted above is a minimum and it is likely that more hours are spent which are not captured. The role of the councillor is not confined to official council business or limited to attendance at committees and meetings. The Panel commented that the increasing use of social media such as Twitter, Facebook and councillors own websites as tools to communicate with residents means that many councillors consider themselves to be 'on call' or 'on duty' twenty four hours a day, unlike council offices, one stop shops and call-centres which have traditional opening and closing times. When discussing the time demands on councillors, The Councillor Commission interim report refers to councillors describing their role as "a 24 hour a day job, a job which the public, media, party and council itself recognise few if any boundaries."

Whilst traditional methods of engagement with residents such as weekly surgeries are still used by many councillors, it is now accepted that councillors have different methods to engage and communicate with the people they represent. It is further accepted that different councillors will utilise these different methods to a greater or lesser extent depending on circumstances, such as the socio-economic, demographic and geographical make-up of their ward.

The Panel noted that the structure of Wirral Council, with no parish or town councils, would have an impact on councillors caseloads compared with other councils where these structures were in place.

The Panel believed that the surveys conducted by councils, the Councillor Commission and the Census of Local Authority Councillors provide valuable insight into how local councillors view

and evaluate their roles and workloads in a changing landscape and demonstrates the wide variety of roles and responsibilities as well as the variety of ways in which a councillor may carry out his or her work.

The Diversity and Unique Nature of Wirral

The Local Government Boundary Commission for England refers to the unique characteristics of each area when warning against an over-reliance on the use of comparisons with other authorities. The Panel was keen to recognise the unique characteristics of Wirral as a borough and the diversity and differences between its wards and to acknowledge the impact that these differences would have on the type, if not the amount of issues which councillors must deal with. According to the Wirral Joint Strategic Needs Assessment data, Wirral has some of the most deprived and most affluent wards in England, with wards in the highest quintile and wards in the lowest quintile on the national Index of Multiple Deprivation. Wirral also has a mix of rural and urban wards, wards which have a concentration of industrial and business premises, and wards which are primarily residential. The Panel believe that this ward diversity will affect the representational role of the councillor as ward councillors will encounter a wide variety of different issues and concerns. The nature of their work will differ greatly depending on the socio-economic, geographic and demographic profile of the ward which they represent.

The Future - A Changing Role

The Review Panel was conscious that local government was changing significantly. In particular Members considered that the role of Wirral councillors was changing as a result of the financial constraints and new ways of working, with a shift towards a focus on outcomes for residents rather than service delivery via the Wirral Plan and Wirral's new operating model.

Whether as Pledge Champions or more generally, councillors have a role in supporting the delivery of the Wirral Plan and its three key themes of protecting the most vulnerable, driving economic growth and improving the local environment. The Panel see councillors' roles changing as a result of this and moves towards greater commissioning of services. Although the councillor role regarding commissioning will develop over time, this role will require councillors to hold commissioners and providers to account for delivery of the agreed strategic outcomes.

The Panel identified that the councillor of the future would have a vital role as a local leader, in stimulating community initiatives and activity to help new delivery models to accommodate a reduction of public services in areas like culture, leisure and sport, community safety, supporting the vulnerable in the community and looking after the local environment. There would also be a significant role in working with local businesses to support the economy, encourage investment and create jobs.

With the proposed Liverpool City Region Devolution Agreement being considered by all of the City Region local authorities currently, it is hard to predict the impact this will have on the role of Wirral councillors in the coming years.

Taking these things into consideration, and accepting that the full impact and extent of these new ways of working was not yet fully known, the Panel felt that it did not make sense to commission a review of council size at this time. Instead, it may be appropriate to allow time for changes to become embedded and return to this question at a later date following an evaluation of the impact of new ways of working and new roles.

Potential Impact of a Reduction in Councillors

The Panel observed that a significant reduction in the number of councillors, without an accompanying restructure of the Council's governance arrangements could affect the council's ability to carry out its statutory functions. The number, size and frequency of committees, and appointments to bodies would need to be reviewed and reduced significantly. The Panel was concerned about the impact on this would have on Wirral's ability to take decisions effectively, manage the business and responsibilities of the council successfully, and provide effective community leadership and representation. Councillors in Wirral play important roles in holding the executive to account, exercising oversight and monitoring via Overview and Scrutiny Committees, and holding Members and officers to account to ensure effective governance and assurance. The Review Panel was also concerned that a significant reduction in councillor numbers could impact on these roles and may result in less effective oversight, governance and assurance.

Having regard to the 2013 Census of Councillors data which showed the average number of hours spent by councillors on council and party business per week (25.1), the Panel observed that many councillors already balance their role as a councillor with the demands of work, family, and/or caring commitments. The Panel was concerned that a significant reduction in numbers alongside no structural reorganisation of the Council would likely result in a greater demand on councillors time. If the workload and time demand increases further this may have a detrimental effect on councillor retention and recruitment as it may restrict the type of people who are able to take on the role. The 2013 Census of Councillors data showed the average age of councillors in England was 60.2 years old. 46.2% of councillors who responded were retired, 9.5% in part time employment and 8.8% either unemployed or otherwise not working. The Panel believed that should the work demands on councillors increase further, this may lead to the role becoming almost full time and would prevent many working or self-employed people from continuing as, or becoming a councillor. The resulting loss of diversity of representation, experience and skills would be detrimental to any borough, the Panel believed. This view is shared by Warrington Borough Council. Their submission to the Commission states: "Warrington is represented by a diverse range of councillors. The Council values all of its councillors for their different skills and experiences, and believes that it is important that

demands on councillors do not reach levels that restrict the pool of councillors, or limit the opportunities of particular groups to become councillors”.

(Warrington Borough Council Submission to LGBCE Regarding Council Size, February 2015).

The Panel suggested that these types of issues would need to be considered alongside the saving that a reduction in councillors would provide.

The impact of a reduction of councillors on back office and support functions was also acknowledged by the Panel. Whilst this is difficult to quantify, it was agreed that that these functions would have to increase in order to fill the gap left by councillors, so any cost savings identified by reducing councillors would have to take account of any increase in officer workloads.

In summary, the Panel concluded that it is hard to quantify the role of the councillor in absolute terms, but the Panel was satisfied that the evidence clearly demonstrates a significant time demand on councillors and that their role is broad and varied. In the current political and economic climate councils are undergoing significant change and the councillor role is evolving and adapting to meet the new challenges presented. In Wirral, perhaps the extent of this is not yet fully understood and this may not be right time to consider changing the number of councillors. It was suggested that this may be returned to at a later date and that consideration may be given to conducting a survey of councillors to understand their perceptions of the changing role and workload. This may provide a useful insight and inform any future considerations of this issue. There may also be wider benefits of conducting a councillor survey, as it may be used to update the Members’ Role Profile, inform the Member Development Scheme, and used to explain the role of councillors to the public, media and partner organisations.

6. Conclusion and Recommendation

The Panel, having reviewed the Commission's remit, processes and timescales for Further Electoral Review, accepted that the only mechanism to change the number of councillors in Wirral would be via such a review. The Panel concluded that it would take a significant amount of resources to prepare for and undergo a review and the Commission timescales demonstrate that this would be a lengthy process, with a less than certain outcome. Any potential savings are unlikely be realised for up to two years.

The Panel was encouraged by evidence which demonstrates that Wirral Council compares favourably against other councils regarding electoral equality, as a recognised measure of council size. Of particular note was the ward level data on electoral variation which showed that Wirral is within the Commission's parameters on electoral equality across its wards and therefore wouldn't trigger their threshold for a Further Electoral Review.

The Panel are further reassured that the cost of councillors in Wirral is lower than many of its neighbouring and similar sized national authorities, as evidenced by comparisons of Members Allowances Schemes, and acknowledged by the recent Independent Panel on Members Allowances. The Panel noted the potential annual saving which a reduction in councillors could deliver, although the Panel believed that any cost saving identified would need to take into account increased costs associated with a likely rise in demand on officer workloads.

The Panel was conscious that statistical comparisons with other authorities should not be used alone to determine the number of councillors and the Panel recognises the uniqueness of each area and the need for each council to tailor its services to the needs of each community. An understanding of the varied role of the local ward councillors in Wirral was considered by the Panel as equally important when forming their conclusions.

Having reviewed both general and Wirral specific definitions of the role of councillors, considered average hours per week spent on council business, and the variety of factors which affect the ward councillors' workload, the Panel concluded that the role of the councillor in Wirral is wide-ranging and varied and places a significant demand on councillors' time. The panel was concerned about the impact a reduction of councillors may have on councillors ability to fulfil their role effectively.

The Panel is aware of the significant changes facing councils in future and the uncertainty around councillor roles as these adapt to meet new challenges. In this context, the Panel conclude that any review of the number of councillors in Wirral should not take place until the extent of these changes and their impact on roles was better understood. The Panel makes the following recommendation:

Having regard to the evidence presented, the Panel notes that the number of councillors in Wirral is consistent with comparable Local Authorities. Consequently, the Panel recommends that the Council does not request the Local Government Boundary Commission for England conduct a review of its electoral arrangements at this time.

References

Local Government Boundary Commission for England, Electoral Reviews Technical Guidance, April 2014

https://www.lgbce.org.uk/_data/assets/pdf_file/0006/10410/technical-guidance-2014.pdf

Wirral Metropolitan Borough Council Report Of The Independent Panel on Members' Allowances, 7 June 2016

<http://democracy.wirral.gov.uk/documents/s50034712/Panels%20Final%20Report%20v2.pdf>

Appendix:

<http://democracy.wirral.gov.uk/documents/s50034697/First%20Draft%20of%20Panels%20Report%20-%20Appendix%201.pdf>

Interim report of The Councillor Commission, Local Government Research Unit and The Municipal Journal, October 2016

<http://www.dmu.ac.uk/documents/business-and-law-documents/cc-interim-report-oct-16-final-3.pdf>

Wirral Council Members Role Profile

<http://democracy.wirral.gov.uk/documents/s50037593/20161110CouncilConstitutionNovember2016.pdf>

Wirral Council Members Allowance Scheme List of Approved Duties

<http://democracy.wirral.gov.uk/documents/s50037593/20161110CouncilConstitutionNovember2016.pdf>

Local Government Association Census of Local Authority Councillors, 2013

[Publications | Local Government Association](#)

Warrington Borough Council Submission to LGBCE Regarding Council Size, February 2015

https://www.lgbce.org.uk/_data/assets/pdf_file/0013/25204/WarringtonBC.pdf

Appendices

Appendix A - Number of Councillors Scrutiny Review Scope Document

Scoping Template

Review Title: **Number of Councillors**

Date: **31/10/2016**

1. Contact Information:	
Panel Members: Cllrs: Phillip Brightmore (Chair) Moira McLaughlin Steve Foulkes Chris Carubia Adam Sykes	Key Officers: Surjit Tour (Assistant Director: Law and Governance and Monitoring Officer) Patrick Torpey (Scrutiny Officer) Other Contacts: Eric Robinson (Returning Officer) Kate Robinson (Electoral Services Manager)
2. Review Aims:	
Wirral Plan Pledge/s: Community Services Are Joined Up And Accessible	
Review Objective: To determine if the number of Councillors and Councillors per Ward in Wirral is appropriate with regard to the Council's stated priorities and key challenges, and if the number of Councillors in Wirral is consistent with comparable local and national authorities.	
Scrutiny Outcomes: Members will arrive at an informed and evidence based view on the extent to which Wirral Councillors provide effective community leadership, effective leadership of the Council through strategy/policy development and effective decision making and scrutiny. Members will reach an informed view on whether the Council should actively progress a referral to the Local Government Boundary Commission for England to conduct an Electoral Review.	
3. Review Plan	
Review Approach: Workshop, Evidence Day, Task and Finish? Task and Finish	
Review Duration: A data-led review comprising two evidence sessions over three weeks. The review will be complete by the end of November 2016.	
Scheduled Committee Report Date: Environment OSC 30 th November 2016	
Scheduled Cabinet Report Date:	

To be confirmed

4. Sources of Evidence:

Key Witnesses:

Not applicable for this review

Supporting Papers / Documentation:

Wirral Council briefing notes and background research

[Number of Councillors Review September 2016.docx](#)

Reports and Submission documents from:

- Local Government Association

[LGA Census of Councillors 2013.pdf](#)

[Councillors Commission Role of Cllr Interim Report.pdf](#)

- Local Government Boundary Commission for England

[LGBCE electoral-review-technical-guidance-august-2012.pdf](#)

- Other Local Authorities

[Nottingham CC cover report.pdf](#)

[NottinghamshireCC-CS-2014-09-08-Appendix-1-inc-Annex-A-to-D_Redacted.pdf](#)

[ColchesterBC Evidence Base.pdf](#)

[Warrington BC submission.pdf](#)

- Wirral Council

[Wirral Council Constitution Part 5 - Members Role Profiles.pdf](#)

[Members Allowances Report Jun 16.doc](#)

[Members Allowances Appendix Jun 16.doc](#)

Wirral Council electorate data and comparisons with other Local Authorities:

[Wirral Electorate by Ward at 01.09.16.xlsx](#)

[Comparator Councils inc Members Allowances.xlsx](#)

Involvement of service users / public:

Not applicable

5. Key Communications:

Cabinet Member:

- The scope document will be shared with the relevant portfolio holder at the start of the review (Leader, Strategic Economic Development, Finance & Devolution, Cllr Phil Davies).
- The draft report will also be discussed in advance of being finalised by the task & finish group, before being presented to the Environment Overview & Scrutiny Committee for approval.

Press Office:

- The scope document will be sent to the press office on approval.
- The final report will be referred to the press office for information.

Appendix B - Cost of Members 2015/16

CC + Description	Income/Expense	Classification	Subj + Desc	SubAnalysis1 + Desc	Act YTD
A7000 - Services To Members	NULL	NULL	0000 - Retained Earnings	00000 - Default	0
A7000 - Services To Members	Expense	E1 Employees	R001 - APT&C	00010 - Basic Pay	81,662
A7000 - Services To Members	Expense	E1 Employees	R001 - APT&C	00011 - Employers NI Contribution	6,825
A7000 - Services To Members	Expense	E1 Employees	R001 - APT&C	00012 - Employers Superannuation Contribution	11,204
A7000 - Services To Members	Expense	E1 Employees	R001 - APT&C	00021 - Employers Fixed Superannuation Contribution	26,600
A7000 - Services To Members	Expense	E1 Employees	R004 - Other Staff	00019 - Pay not classified elsewhere	70,300
A7000 - Services To Members	Expense	E1 Employees	R041 - Agency Staff	00200 - Agency Staff	22,075
A7000 - Services To Members	Expense	E1 Employees	R055 - Disclosure Barring Service - checks	06149 - Disclosure Barring Service - checks	88
A7000 - Services To Members	Expense	E1 Employees	R056 - Employee Corporate Insurance	04300 - Insurance Employee Related	70
A7000 - Services To Members	Expense	E1 Employees	R070 - Pension Costs	00916 - Early retirement strain costs	4,064
A7000 - Services To Members	Expense	E1 Employees	R071 - Redundancy / Severance Pay	00950 - Severance Pay	0
A7000 - Services To Members	Expense	E2 Premises	R106 - Cleaning & Domestic Supplies	11130 - Cleaning Materials	17
A7000 - Services To Members	Expense	E2 Premises	R108 - Rents - external	11300 - Rents	5,245
A7000 - Services To Members	Expense	E3 Transport	R203 - Contract Hire & Operating Leases	23010 - External Fleet and Plant Hire charges	2,974
A7000 - Services To Members	Expense	E3 Transport	R204 - Public Transport	24211 - Travel - Online Booking Service	2,588
A7000 - Services To Members	Expense	E3 Transport	R204 - Public Transport	24214 - Passenger Transport	147
A7000 - Services To Members	Expense	E3 Transport	R205 - Car Allowances	24200 - Car Allowances	1,724
A7000 - Services To Members	Expense	E4 Supplies	R301 - Equipment, Furniture & Materials	32000 - Equipment - Office, Tools and materials	9
A7000 - Services To Members	Expense	E4 Supplies	R301 - Equipment, Furniture & Materials	32001 - Office equipment	167
A7000 - Services To Members	Expense	E4 Supplies	R302 - Printing, Stationery & General Office Expenses	32020 - Printing, Stationery and General Office Materials	0
A7000 - Services To Members	Expense	E4 Supplies	R302 - Printing, Stationery & General Office Expenses	32035 - Newspapers, Books and Periodicals	1,705
A7000 - Services To Members	Expense	E4 Supplies	R302 - Printing, Stationery & General Office Expenses	34000 - Printing Services	150
A7000 - Services To Members	Expense	E4 Supplies	R302 - Printing, Stationery & General Office Expenses	34002 - Photocopying	1,209
A7000 - Services To Members	Expense	E4 Supplies	R302 - Printing, Stationery & General Office Expenses	34009 - Purchase Of Paper	116
A7000 - Services To Members	Expense	E4 Supplies	R302 - Printing, Stationery & General Office Expenses	34010 - Stationery - General	165
A7000 - Services To Members	Expense	E4 Supplies	R302 - Printing, Stationery & General Office Expenses	34025 - Books & Periodicals	0
A7000 - Services To Members	Expense	E4 Supplies	R302 - Printing, Stationery & General Office Expenses	34100 - Communication - Telephone	0
A7000 - Services To Members	Expense	E4 Supplies	R303 - Communications & Computing	32052 - Computer Equipment	43
A7000 - Services To Members	Expense	E4 Supplies	R303 - Communications & Computing	32067 - Communications Equipment	209
A7000 - Services To Members	Expense	E4 Supplies	R303 - Communications & Computing	32506 - Computer Stationery	3,694
A7000 - Services To Members	Expense	E4 Supplies	R303 - Communications & Computing	34016 - Communication - Postages	6,398
A7000 - Services To Members	Expense	E4 Supplies	R303 - Communications & Computing	34100 - Communication - Telephone	17,980
A7000 - Services To Members	Expense	E4 Supplies	R303 - Communications & Computing	34117 - Mobile Phone Charges	6,710
A7000 - Services To Members	Expense	E4 Supplies	R304 - Catering	32040 - Vending machines	0
A7000 - Services To Members	Expense	E4 Supplies	R304 - Catering	32200 - Provisions - Food	32
A7000 - Services To Members	Expense	E4 Supplies	R304 - Catering	32230 - Provisions - vending machines	1,752
A7000 - Services To Members	Expense	E4 Supplies	R304 - Catering	32240 - Catering-Wall C&Ctte	2,694
A7000 - Services To Members	Expense	E4 Supplies	R304 - Catering	32243 - Catering	133
A7000 - Services To Members	Expense	E4 Supplies	R304 - Catering	32300 - Clothing, Uniform & Laundry	0

A7000 - Services To Members	Expense	E4 Supplies	R304 - Catering	32400 - Laundry	6,247
A7000 - Services To Members	Expense	E4 Supplies	R305 - Clothes, Uniform & Laundry	32400 - Laundry	9,320
A7000 - Services To Members	Expense	E4 Supplies	R306 - Services	36266 - Accommodation - Online Booking Service	227
A7000 - Services To Members	Expense	E4 Supplies	R308 - Grants & Subscriptions	36000 - Subscriptions	149
A7000 - Services To Members	Expense	E4 Supplies	R310 - Expenses	34218 - Subsistence	82
A7000 - Services To Members	Expense	E4 Supplies	R310 - Expenses	34220 - Subsistence Members	-30,629
A7000 - Services To Members	Expense	E4 Supplies	R310 - Expenses	34229 - Member - other allowances	0
A7000 - Services To Members	Expense	E4 Supplies	R314 - Advertising, Publicity & Marketing	34020 - Advertising - Misc	39
A7000 - Services To Members	Expense	E4 Supplies	R316 - Members Allowances	34221 - Members N.I.	34,204
A7000 - Services To Members	Expense	E4 Supplies	R316 - Members Allowances	34222 - Members Attend Allowance	779,961
A7000 - Services To Members	Expense	E4 Supplies	R316 - Members Allowances	34229 - Member - other allowances	0
A7000 - Services To Members	Expense	E4 Supplies	R399 - General Supplies and Services	30000 - Unallocated P Card Spend	40
A7000 - Services To Members	Expense	E4 Supplies	R399 - General Supplies and Services	36280 - Expenditure not classified elsewhere	469
A7000 - Services To Members	Expense	E5 Third Party	R499 - Other Third Party Payments	42535 - Hired or Contracted services	74
A7000 - Services To Members	Expense	E5 Third Party	R499 - Other Third Party Payments	45507 - Specialist Contracts & Fees	3,247
A7000 - Services To Members	Expense	E7 Recharge - Other F	R602 - Schools - Departmental Recharges	64660 - Courier and Transport Recharge	0
A7000 - Services To Members	Expense	E8 Recharge - Suppor	R604 - Recharge Admin and Other Buildings Charges	64400 - Admin Buildings Recharge	230,405
A7000 - Services To Members	Expense	E8 Recharge - Suppor	R605 - Recharge Support, Management and Admin	64300 - Recharge - Support Services	57,000
A7000 - Services To Members	Income	I1 Income	R802 - Other Grants, Reimbursements and Contributor	88044 - OGRC - Income from external sources	0

Page 39

				Less Accommodation Overhead	-230,405
				Less Special Responsibility Allowances	-175,074
				Total Cost of Members	964,106
				Average Cost per Member	14,608
				Saving from Reduction in numbers by 1/3 - (i.e. 22)	321,369

Members' Allowances – Comparisons with Merseyside and Cheshire Local Authorities May 2016

Members' Allowances	Wirral	Liverpool City	Sefton	St Helens	Knowsley	Cheshire West and Chester	Cheshire East	Warrington	Halton
	£	£	£	£	£	£	£	£	£
Basic	8,712.45	10,077	8,794.51	7,626	9,109	11,573	11,200	7,911	8,262
Leader of the Council	22,927		26,383.54	33,036	27,328	28,931	27,000	20,014	21,306
Deputy Leader of the Council	11,463			18,426		14,466	16,300	15,012	14,488
Leader of the largest opposition Group	13,756	11,009	4,397.26	4,830	6,832	8,679	7,280	8,506	7,095
Deputy Leader of the largest opposition Group	6,878			1,524			3,640		
Leader of the 2 nd largest opposition Group	9,171	7,200 (x 2)	4,397.26	1,524		3,819	5,600	8,506	
Deputy Leader of the 2 nd largest opposition Group	4,585								

Members' Allowances	Wirral	Liverpool City	Sefton	St Helens	Knowsley	Cheshire West and Chester	Cheshire East Cheshire East £	Warrington	Halton
	£	£	£	£	£	£	£	£	£
Cabinet Member	9,171	12,628	17,589.03	15,246	13,664	12,730	13,500	10,008	11,931
Elected Mayor		79,500							
Mayor	10,700		13,191.77	7,626	9,349	6,374	14,000	15,012	11,931
Deputy Mayor	1,500	28,620		762		3,100	5,600	5,012	5,965
Policy and Performance Chairs (Scrutiny)	4,585	8,405	4,397.26	7,626 (Commission) 4,830 (Panels)	6,832	7,521	7,280	8,506	7,095
Planning Chair	4,585	8,405	8,794.51	7,626	6,832	8,679	7,280	8,506	7,095
Licensing Chair	4,585	8,405	8,794.51	7,626	6,832	7,521	7,280	8,506	7,095
Standards Chair	1,375							2,002	7,095
Audit Chair	4,585		4,397.26		4,554	7,521	7,280	8,506	7,095
Member of the Waste Disposal Authority	3,688 (£1,834 x 2)			4,830	911				

Members' Allowances	Wirral	Liverpool City	Sefton	St Helens	Knowsley	Cheshire West and Chester	Cheshire East	Warrington	Halton
	£	£	£	£	£	£	£	£	£
Co-opted Members on the Standards Committee	25 per meeting	20 per meeting				25.25 per meeting	30 per meeting		
Merseyside Police and Crime Panel									

MINUTE EXTRACT

ENVIRONMENT OVERVIEW AND SCRUTINY COMMITTEE

30 NOVEMBER 2016

32 NUMBER OF COUNCILLORS - REPORT OF THE SCRUTINY REVIEW PANEL

The Chair introduced the report of the Scrutiny Review Panel that set out the findings and recommendations arising from a Scrutiny Review – ‘Number of Councillors’ completed in November 2016. The Review initially arose from a Notice of Motion to Council on 20 October 2014 (minute no 57 refers) and was subsequently commissioned by the Environment Overview & Scrutiny Committee as part of its work programme.

The aim of the review was for Members to gain a better understanding of the issues surrounding this subject that included the role of the local councillor in Wirral, the role of the Local Government Boundary Commission for England, and a review of data comparing Wirral with other local authorities in England.

The Chair informed that it had been Panel Members aim to reach an informed view on whether the Council should actively progress a referral to the Local Government Boundary Commission for England to conduct an Electoral Review that would as part of such a review consider amongst other things, the number of Councillors.

The Chair further informed the Environment Overview and Scrutiny that the findings of the investigation were self-evident. He stated that the Panel had been careful to maintain an analytical, data-led approach to the review.

Members noted the content of the report that summarised that the electoral arrangements employed by Wirral Borough Council compared favourably to its statistical neighbours; that those arrangements did not fall foul of any indicators prescribed by Local Government Boundary Commission for England (the Commission), and therefore did not trigger a Further Electoral Review; and that only the Commission may direct Local Authorities to alter those arrangements. (Local Authorities may not alter electoral arrangements themselves).

The Chair informed that the Panel had developed the following recommendation as detailed in the report at Section 3.0 (Executive Summary & Recommendations) as follows, that:

“Having regard to the evidence presented, the Panel notes that the number of Councillors in Wirral is consistent with comparable local authorities. Consequently the Panel recommends that the Council does not request the Local Government Boundary Commission for England conduct a review of its electoral arrangements at this time.”

The Chair thanked Patrick Torpey, Scrutiny Officer for his support during the review, and his excellent work in the preparation of the report.

Resolved - That

- (1) the Number of Councillors – Report of the Scrutiny Review Panel be noted, and that the findings and recommendations of the review be endorsed; and**
- (2) the Review Panel report and recommendations be REFERRED TO CABINET for its endorsement.**



**COUNCILLOR CHRIS JONES
CABINET MEMBER FOR
ADULT SOCIAL CARE**

**CABINET
16 JANUARY 2017**

**INTEGRATION OF HEALTH AND CARE
TRANSFORMATION PROGRAMME UPDATE**

Councillor Christine Jones said:

“Giving people the tools and options to remain independent, to feel supported and safe is incredibly important. Moving towards integration between the NHS and social care is a huge step towards achieving this goal and delivering people joined up, effective services which are tailored to suit individual needs.”

REPORT SUMMARY

Social care services play an important role in enabling vulnerable people to maintain independence and keep well in Wirral. The cost of Adult Social Care is, however significant and it does not operate in isolation. The inter-dependency between Health and Care systems has become increasingly clear over recent years. Nationally, Councils are faced with increasing demand on social care services which presents as a challenge to meet within the available resources. Central Government have directed Local Authorities and NHS providers to integrate social care and health services locally to provide both sustainability and a better experience for people who use those services.

In Wirral, the proposal is to create an integrated commissioning hub to pool social care and health resources and to jointly commission services. The commissioning hub initiative will enable the health and care system to use Wirral’s resources together to jointly create a sustainable health and care system. A further proposal is to integrate the frontline assessment and support planning process which will contribute to meeting the challenges of growth and demand, and provide an improved service for local residents. The integrated front line service will deliver the

assessment and support planning function for older people and adults and the proposal is that this service will be provided by the NHS Wirral Community Foundation Trust (WCFT) who provide community health services in Wirral. This will involve the transfer of social care staff to the NHS in order to provide joined up seamless health and social care delivery services for older people and adults. A separate proposal for an all age disability, and all age mental health integrated service is planned for 2018.

This report sets out key aspects of the integration programme which is focussed on improving outcomes for residents with the aim of delivering the right care in the right place at the right time.

The report covers key transformation costs and outlines main elements of the proposed transfer for staff consultation.

Key Strategic Outcomes to be delivered through this initiative are as follows:

Wirral Plan Pledge 1: Older People Live well

Services will be commissioned across health and care to get the best outcomes for people within available resources.

The integrated teams will provide timely local responses and personalised care, supporting people to live as independently as possible, avoiding unnecessary admissions to hospital or to care homes.

Wirral Plan Pledge 6: People with disabilities live independently.

The majority of people with disabilities will be supported by the Integrated Care Coordination Teams, with a later project to develop an Integrated All Age Disability Service for those with the most complex needs with an appropriate NHS partner.

Wirral Plan Pledge 16: Wirral Residents live healthier lives.

Services will be commissioned on a whole system basis ensuring that there is a clear link between the 2020 partnership pledges and the Healthy Wirral Programme. The Integrated Care Coordination Teams will continue to develop pathways and working arrangements in line with the key strategic objectives of the above programmes.

RECOMMENDATION/S

- It is recommended that Cabinet approve further implementation of the integration programme for health and care
- It is recommended that Cabinet approve in principle a proposed delegation of relevant functions to WCFT, with relevant staff transfer and with approval of final terms and documents, including a full business case, to be brought to a future Cabinet.

- It is recommended that Cabinet approve the commencement of formal staff consultation with the staff identified as in scope for potential transfer to the integrated service.
- In relation to the Integrated Commissioning Hub it is recommended that work to pool resources and to set out appropriate governance arrangements is progressed with a further report setting out the detailed arrangements to come back to Cabinet in February.

SUPPORTING INFORMATION

1. REASON/S FOR RECOMMENDATION/S

- 1.1 The integration of Health and Care commissioning and service provision aims to ensure that the Council and NHS partners use resources in an effective and sustainable manner to meet the needs of Wirral's residents through using resources well across the whole system. The following key features of integration are essential to success;
- Pooling resources, intelligence and planning capacity
 - Delivering the Right Care in the Right Place at the Right Time.
 - Managing demand and reducing the cost of care.
 - Clear accountability and governance arrangements.
 - Resilience and flexibility to emerging issues in service delivery

2. OTHER OPTIONS CONSIDERED

- 2.1 Commission the market to deliver the service/outcome through an alternative outsourcing commercial model. This option was excluded as the market is underdeveloped and there is no evidence that this would be cost effective. It would not build on synergies that exist between commissioners and between nurses and social workers.
- 2.2 Continue to provide in-house by continuing to directly provide Social Work Delivery and for commissioners to continue to work separately on health and care commissioning activity. This option was excluded as it would not provide the outcomes of integrated planning and delivery of services to a single set of outcomes, nor would it improve the ability to manage future demand. This option is also considered to be less sustainable.

3. BACKGROUND INFORMATION

- 3.1 In March 2016, Cabinet approved the establishment of a Transformation Programme to enable the Council to become much more commercially focussed, harnessing the spirit and practices of commerce to secure outcomes for residents. It was agreed that the Programme would be managed through comprehensive methodologies ensuring all transformation activities support the delivery of the 20 pledges.
- 3.2 Prior to the establishment of the overarching Programme, Cabinet had provided approval for the formation of a formal Management Agreement between the CCG and the Council, setting out how the Council would fulfil its adult social care statutory duties through working across both organisations to drive more effective commissioning outcomes. Recognising there would be a need for further discussion on corporate support services, Cabinet approved the move towards the development of integrated teams.
- 3.3 An Outline Business Case for integrated Care Coordination Teams (OBC, Appendix 1) was scrutinised by the People Overview and Scrutiny Committee

(Appendix 2). It was envisaged that such a model would enable social workers and nurses to work together on behalf of the people of Wirral much more effectively delivering the 'right care in the right place at the right time'. The OBC appraised alternative delivery models and demonstrated that this option would achieve the outcomes required as it would transfer social care staff to the organisation that is commissioned to provide community nursing and therapy. An Outline Business Case for Integrated Commissioning (Appendix 1) appraised the options for commissioning budgets and proposes an integrated commissioning hub with a pooling of health and social care budgets.

3.4 Desired Outcomes and Benefits of Integrated Health and Social Care Teams

- **Delivering the Right Care in the Right Place at the Right Time:** Services can be developed more effectively to meet the needs of local residents. With social care and health staff working within one organisation it is possible to streamline assessment processes, reduce duplication of multiple professional involvements, develop a single point of access and single social care and health support planning.
- **Managing demand and reducing the cost of care:** An integrated delivery service can ensure that both social care and health staff work to common outcomes and the use of preventative and independence building approaches can be maximised by professionals across the health and care system. Increased use of technological solutions and effective use of risk stratification tools will enable early identification of people who are likely to develop needs for health and care services and will enable the promotion of self-management and independence with the effect of delaying the need for health and care services.
- **Clear accountability and governance arrangements:** A Partnership Governance Board approach to governance and quality standards would hold an integrated delivery service to account for working in a consistent way across the health and care sector and working within the principles of independence, personalisation and self-management. Such an approach will ensure statutory compliance and quality standards in delivery.
- **Resilience and flexibility to emerging issues in service delivery:** A fully integrated service will be able to adapt and react more effectively to emerging local needs. A single social care and health delivery provider will have the scale and ability to focus its staff resources more effectively where most needed.

3.5 Local people and staff have been consulted widely as part of the various work streams through the "Healthy Wirral" programme and work over recent years with AQUA as part of an integrated health and care community approach. The service design reflects the views of residents who expect to receive timely and joined up services that do not differentiate unnecessarily between health and care provision.

3.6 Commissioning Integration key features and benefits

Bringing together all of the commissioning resources will help us to coordinate 2020 Health and Care outcomes for the people of Wirral that need support.

We can develop more timely joined up services using resources from right across the health and care economy of circa £850M.

3.7 The Council aims to achieve the following from the integrated commissioning service;

- A greater ability to manage demand and secure efficiencies in service delivery.
- Undertake Care Market shaping and oversight
- Commission a range of provision of high quality, appropriate services offering choice and control to residents.
- Ensure continuity of care and prevent market failure.
- Deliver integrated health and care to benefit people that require support
- Provide information to the public for making good decisions regarding care
- Promote local access and ownership and drive partnership working
- Promote social inclusion and wellbeing
- Deliver an integrated whole systems approach to supporting communities

3.8 The aim is to provide a commissioning platform and governance structure to ensure that Health and Care services are effectively joined up into a single system that is sustainable through using resources to best effect and to deliver improved outcomes for the people of Wirral. The Local Authority adult social care budget and NHS Wirral Clinical Commissioning Group would pool their available resources, building on the existing Better Care Fund model, to use the collective resources efficiently and to maximum effect. The pooled budgets will be apportioned so that integrated delivery providers have a fixed allocated care budget available for them to draw down against to meet the needs of local people who need services. Close monitoring of draw down against the pooled budget will ensure that commissioners have control and can work with providers to mitigate pressures where they arise.

3.9 Agreements have been reached in relation to key commissioning priorities; these are reflected through the “Healthy Wirral” plan that shows health and care priorities under the Wirral 2020 Plan. Commissioning roles and organisational shape is being developed. New governance arrangements linking up to the Health & Wellbeing Board are in development.

3.10 Integrated Care Teams Key Features and Benefits

The integration of Health and Care services will see the transfer of the key assessment and support planning functions for older people and adults of adult social care to WCFT. This will formally enable social workers and nurses to work together on behalf of the people of Wirral much more effectively in a single organisational model delivering the following improvements for the public:

- Single point of access into multi-disciplinary teams shaped around the person, drawn from health and social care, and other areas when needed.
- Single referral, screening, assessment and care planning processes.

- Shared systems that will support information sharing good personalised planning and documentation ensuring that people are supported effectively.
- Single vision to provide the best quality of support and care to people at a time and place of their choosing using Council and NHS resources effectively.
- Clear set of standards and working practices based on responsive personalised support aiming to enable people to be as independent as possible.
- Increased use of assistive technology, risk stratification and reablement approaches.
- Responsive services based on clear timescales, management of workloads and access to health and care resources.
- More joined up packages of care.
- Adult Social Care statutory duties remain with the Council and a Partnership Governance Board will ensure compliance with statutory requirements.
- Financial assessment for care charges, income collection and debt recovery functions remain within the Council. The Partnership Governance Board will monitor compliance with procedures undertaken by integrated service providers.
- WCFT is the sole NHS partner and provider in the administrative boundaries able to deliver on the integration for the client group because it is commissioned to provide community health services.

3.11 The integration project has been designed to ensure that the new delivery model ensures that people receive the Right Care in the Right Place at the Right Time. It aims to reduce the growth burden to the Council's net revenue funding based on more joined up working, managing demand and reducing the cost of care. The Council will retain robust accountability and governance arrangements through a formal contractual relationship with WCFT.

3.12 Due Diligence

A due diligence exercise has been undertaken by an external company, KPMG. The exercise focused on:

- Model of delivery/workforce
- Finance and Contracting
- Legal/statutory compliance
- Corporate Support Services commonly referred to as Back Office Function.

3.13 Council and WCFT officers have worked in partnership to develop the proposed operating model, delivered by an integrated staff group, to be supported by a detailed contract and quality governance framework.

3.14 The Council propose to transfer its operational staff to WCFT to deliver the Council's statutory adult social care duties as a fully integrated service.

- 3.15 Council and WCFT officers have made significant progress towards the implementation of the integrated service. A negotiations workshop was held between WCFT and Wirral Council to consolidate previous work contributing to the contract offer for transfer, with the aim of gaining agreement in principle to Key Heads of Terms.
- 3.16 The contractual relationship/offer is fundamental to the success of the future arrangements for Integrated Health & Social Care. Over 50 areas of concern relating to the contractual offer had previously been considered, and have now reached resolution.
- 3.17 Significant progress has been made and agreements in principle have been reached in most areas with a view that further detailed work would be required to finalise the operating model.

4. FINANCIAL IMPLICATIONS

4.1 Contract Costs

The estimated annual value of the contract with WCFT is £8.9m pa (including support costs). There are some details still to be finalised re staff and pensions, the contract will result in the transfer of approximately 212 Full Time Equivalent (FTE) staff.

Description	£'000	FTE
Transfer of Staff – Front Line Service Delivery	6,853	178.89
Transfer of Staff – Support	873	32.87
Support Costs (Mid and Back Office)	1,140	-
Total	8,866	211.76

4.2 Contract Savings

The transfer of staff and integrated service for Older People does not achieve any additional budget savings directly. Some reductions have already been applied to this area - £500k in 2016-17. In addition there is an outstanding balance of savings of £700k which is anticipated in 2017-18

- 4.3 The main financial benefit is that the transfer-anticipates the integrated service will contribute towards managing demand/reducing costs in the Council's Community Care budget. The proportionate reductions to overall pressures previously identified, over a 5 year period are estimated to be £11.5m. The savings required are made up of demographic growth of £4.3m, inflation (at 2%) £4.8m and existing pressures of £2.4m as shown below

Table 2 Reductions anticipated offsetting demand pressures

Pressures	17/18	18/19	19/20	20/21	21/22	Total
	£'000					
Existing Demand	2,400	-	-	-	-	2,400
Demographic Growth	789	819	849	881	915	4,253
Inflation	891	925	960	996	1,033	4,805
Total	4,080	1,744	1,809	1,877	1,948	11,458

These are challenging targets that all LA's are finding difficult. WFCT acknowledge this and are keen to respond, develop practice and new ways of working.

4.4 Pension Costs

The transfer of staff to WCFT has pension implications. The full financial implications are not yet quantified depending on the final route.

- a. If Staff transfer but remain with the Local Government Pension Scheme (LGPS) WCFT join the LGPS as an admitted body. The transfer would be fully funded with existing deficits on pension contributions up until the point of transfer of £2.6m remaining with the Council. This deficit would need to be factored into and recovered alongside the arrangements for the remaining deficit for all Council staff. The scheme would be closed to new employees (who would join a pension scheme through the NHS). The actuary calculates that the employer's rate would increase from 13.6% to 18.6%. This has an additional cost of circa £310k pa. However the final rate will not be known until the outcome of the triennial valuation.
 - b. If staff transfer to the NHS scheme. WCFT have applied for a certificate of broad comparability as between the NHS Scheme and the LGPS scheme This is an independent process undertaken by the Government actuary (though in practice they are likely to outsource the process to a firm of actuaries) If there are significant differences identified then the actuary may direct compensation. The NHS scheme has a slightly higher employers and employee contribution rate and an impact on net pay for some employees. At this stage the additional annual cost of this route is in the region of £210k pa. There is agreement in principle that if this route is pursued that these costs would be shared equally between The Council and NHS. There may also be costs to the Council identified by the actuary for compensating the Merseyside Pension Fund for any additional deficit in assets transferred to the NHS Scheme. Any amounts for this, together with the Actuaries fees have yet to be determined
- 4.5 Exploration of both options is being undertaken, with further actuarial evaluation of the Bulk Transfer to the NHS pension scheme option underway. It is proposed that the consultation with the staff directly affected will include

broad description of both options and confirmation of the pension arrangements to be given during the consultation period.

4.6 Debt Recovery

Responsibility for financial assessments for care charges, income collection and debt recovery functions remain within the Council. The Partnership governance Board will monitor compliance with procedures undertaken by integrated service providers.

5. LEGAL IMPLICATIONS

5.1 The statutory duties placed on the Council will continue to rest with the Director for Health and Care, whilst the delivery of the specific functions related to assessment and support planning will be delegated to WCT under a Section 75 contract arrangement.

5.2 It is considered that as WCFT are the NHS provider within the Council administrative boundaries providing community services for the grouping of service users on this integration programme there is no requirement to undertake a competitive tender process as there is no other operator that can deliver the integration required.

6. RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

6.1 Together with the Pension costs described above, there are a number of other financial considerations;

6.2 Pay awards

Staff transferring will do so with provision made for the 2017-18 pay awards, which has a budget cost of £80,000. Further negotiations are underway regarding costs in future years.

6.3 Support Services

There is now agreement for most corporate support services within the contract totalling £350k (some further work is needed with regard to the training budget). The offer is a combination of Service Level Agreement (SLA) buyback for one or more years, cash and TUPE / post transfers. At this stage the implications from this are broadly neutral, although this could change if the value of SLA's change in future.

6.4 Risk of the integrated services over spending against the care budget.

Staff transferring to the WCFT will continue to undertake assessments and arrange packages of care for people on behalf of the Council and the health system. The allocated Community Care budget (totalling circa £47m) will form part of the integrated commissioning arrangements with the CCG through formal pooling of resources as soon as is practicable. Work is underway to complete this with a Section 75 agreement in place by 1 April 2017. The S.75 agreement will detail arrangements for monitoring draw down against the fixed budget allocation, intervention that may be required by commissioners and

arrangements for reviewing the budget allocation annually in line with Council and CCG budget setting cycles.

It is intended that one of the cost control mechanisms in place to ensure services provide the right level of care and demonstrate value for money will be a regular contract monitoring function which would amongst other things would include tracking the rate of draw down against the available budget. The budget allocation to the Trust would be fixed. The financial risk of an over-spend would initially rest with WCFT, and in the event of an overspend WCFT would enter discussions with health and care commissioners.

6.5 Quality

A Quality and Governance framework will oversee the quality of the service. This will be in the form of a Partnership Governance Board which will include the Council's principal Social Worker for professional standards. This will maintain a focus on the quality of outcomes for residents and ensure that services meet the statutory duties of the council.

6.6 Assets

A number of hardware will be transferred to WCFT (hardware assets) as part of the integration process

6.7 ICT

An Information Sharing Protocol and data protection protocol and data sharing agreement will be required with appropriate safeguards in place.

7 RELEVANT RISKS

- 7.1 Financial risk and risk of failure to provide services to an adequate standard whilst delivering the Council's statutory duties will be mitigated by effective contract management and governance arrangements.

8 ENGAGEMENT/CONSULTATION

- 8.1 Stakeholder, public and staff engagement has been undertaken over a number of years through Healthy Wirral, Vision 2018 and Vanguard events, together with recent staff engagement sessions. If Cabinet approve the proposal then formal staff consultation will commence, leading communication with Wirral residents.

9 EQUALITY IMPLICATIONS

(b) No because there is no relevance to equality

People and service users will receive a more streamlined service with less duplication and more effective support planning and access to services.

REPORT AUTHOR:

Graham Hodkinson

Director of Health and Care

telephone: 0151 666 3651

email grahamhodkinson@wirral.gov.uk

APPENDICES

1. *Outline Business Case – Integrated Community Care Teams.*
2. *People Overview and Scrutiny Committee Report*
3. *Outline Business Case – integrated Commissioning Hub*

REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

Council Meeting	Date

OUTLINE BUSINESS CASE (Doc. 002)

The Outline Business Case (OBC) builds on the Strategic Outline Case and signals a potential new programme or project. The OBC sets out that the programme or project:

1. **Strategic** Meets a business need
2. **Economic** Will deliver clear benefits and/or provide value for money
3. **Commercial** Is viable
4. **Financial** Is affordable and realistic
5. **Management** Is achievable with the capability and capacity to be delivered

Programme/Project Name:	Integrated Care Co-ordination Teams with Wirral Community NHS Foundation Trust		
Programme/Project Sponsor:	Graham Hodgkinson		
Programme/Project Manager:	Jason Oxley	Contact Details:	0151 666 3624
Date approved by Senior Leadership Team (SLT):			

1. STRATEGIC OUTCOME(S)

The integration of the key assessment and support planning functions of adult social care with the community NHS support functions of the Wirral Community Foundation Trust (WCFT) will enable social workers and nurses to work together on behalf of the people of Wirral much more effectively in a single organisational model delivering the following improvements for the public:

- Single point of access into multi-disciplinary teams shaped around the person, drawn from health and social care, and other areas when needed.
- Single referral, screening, assessment and care planning processes
- Shared systems that will support information sharing good personalised planning and documentation ensuring that people are supported effectively
- Single vision to provide the best quality of support and care to people at a time and place of their choosing using Council and NHS resources effectively.
- Clear set of standards and working practices based on responsive personalised support aiming to enable people to be as independent as possible.
- Responsive services based on clear timescales, management of workloads and access to health and care resources

Key Strategic Outcomes to be delivered through this initiative are as follows:

TRANSFORMATION & IMPROVEMENT

Wirral Plan Pledge 1: Older People Live well

The integrated teams will provide a local response and will support older people to live as independently as possible, targeting resources, collaboratively with the NHS, at those most in need. Integrated services will provide better outcomes for local people.

Wirral Plan Pledge 6: People with disabilities live independently.

The majority of people with disabilities will be supported by the Integrated Care Coordination Teams, with a later project to develop an Integrated All Age Disability Service for those with the most complex needs.

Wirral Plan Pledge 16: Wirral Residents live healthier lives –

The integration of social care delivery services with the NHS closely aligns to the strategic aims within the Wirral Plan and the partnership work through the “Healthy Wirral” programme. The Integrated Care Coordination Teams will continue to develop pathways and working arrangements in line with the key strategic objectives of the above programmes.

Local people and staff have been consulted widely as part of the various integration work streams and service design reflects the views of residents.

To provide assurance that all risk associated with the transfer of Adult Social Care Services from the Council to WCT are considered and that both organisations are agreeable to the transfer a due diligence exercise is underway. The project delivery has been contracted and the project’s findings are expected at the end of June. The scope of due diligence will contribute to the Full Business Case investigating the following four areas in more detail:

- Model of delivery/workforce
- Finance and Contracting
- Legal/statutory compliance
- Corporate Support Services commonly referred to as Back Office Function.

The outcome of this work is expected to show that the following strategic outcomes will also be met:

- Delivers savings or reduces the burden to the Council’s net revenue funding (Achieve savings / reduce operating costs for the Council / or reduce demand).
- Council retains robust accountability and governance arrangements (Appropriate governance/ contract management arrangements are in place).

TRANSFORMATION & IMPROVEMENT

- Resilience and flexibility to emerging issues in service delivery (ability to respond to changing statutory duties/future opportunities for service delivery, ability to adjust in a timely manner to political direction/legislative or procedural changes).
- In preparation for the revenue Budget 2014 to 2017 the public were consulted “What Really matters” on the integration of health and care the initiative was supported. (In the Revenue Budget paper 2014/17 (12th February 2014) savings were identified to be achieved from integration over the period. The achievement of these savings has been a core part of the integration agenda both in relation to service delivery and OBC 1 commissioning.

2. COST SUMMARY

Project costs:

- An externally commissioned Due Diligence provider has been appointed at an overall cost of £86,000. This is being jointly funded on a 50:50 basis, between Wirral Council (£43,000) and Wirral Community NHS Foundation Trust (£43,000). The remit of the due diligence is to investigate all issues and risks within the following 4 areas:
 - Model of delivery/workforce
 - Finance and Contracting
 - Legal/statutory compliance
 - Corporate Support Services commonly referred to as Back Office Function
- Specific project management support through current transformation PM Officer – funded through the Transformation Team.
- Approximate cost 6 months proportionate cost of 1 day a week = £7,200
- Financial analyst support – approximate cost 6 months proportionate cost of 1 day a week = £7,200 however internal support may be available.
- A day a week of Legal and HR resource requirement – assumed will be supplied in-house and absorbed in-house. Approximate cost 6 months proportionate cost of 1 day a week = £30,000

TRANSFORMATION & IMPROVEMENT

- Intelligence support - demand and capacity modelling - £7,200 for 6 months at 1 day a week
- Procurement and contracting support - £7,200 for 6 months at 1 day a week.
- The core staff members to be transferred have been identified as approximately 210 FTE including vacancies. Staffing cost of £7.6million - further detail in relation to expected implications will be explored through due diligence exercise.
- A further important area to be explored through Due Diligence is the incorporation of back office and operational support functions. The model is yet to be defined with clarity of relative organisational impacts for the Council and the Trust
- The project is large and requires leadership at Chief Officer level this will ensure that key deliverables are progressed. Project support and leadership are provided through existing employees of the Council and NHS. There will be a requirement for operational support at Senior level to increase the capacity of the Head of Delivery

3. BENEFITS SUMMARY

- In this financial year, 20 FTE posts have been removed in advance of the transfer creating a saving of £500k on the basis of implementing a self-assessment model supported by NHS colleagues. Skill mix will be used in future as part of service redesign to sustain good outcomes and effective demand management.
- Care budgets will be cash limited and called down from the pooled funds that will be brought together through the Integrated Commissioning Hub (Please see complimentary OBC 01) The pooled funds will bring together both NHS and Social care resources into one strategic commissioning budget.
- Integrated teams will therefore be able to draw down from a range of commissioned contracted services, through the Integrated Commissioning Team, and from a centrally held pooled budget The collective pooled resource to meet need will have greater impact for local people, will be more efficient in staff time and in care delivery.
- There is likely to be a reduction of support costs/back office costs and overheads directly incurred by the DASS Delivery Team – this is reflected in the annual recharge incurred. Corporate support is required to understand the future delivery options of central support services, the impact on Council departmental recharges, and any direct DASS Delivery Team cost reductions that may be achieved through integration. It is recognised that reducing the cost of the DASS

TRANSFORMATION & IMPROVEMENT

Delivery Team corporate services will not have an impact on the overall WMBC corporate service budget without further restructuring of back office services.

- The Due Diligence exercise will also input to this decision.
- Integration of Delivery services and development of integrated commissioning will contribute to the saving target of £0.7M for 2016/17.
- The total Adults gross budget for Commissioned Community Services is £85m of which approximately £38m relates specifically to older people. This includes elements of services funded through the Better Care Fund.
- Pooled funds will also be created for people with disabilities and those with mental health needs these are outside of the arrangements with Wirral Community Trust.

1. STRATEGIC CASE

The budget proposals for 2016/17 have been put forward to ensure the Council is able to deliver a balanced budget for the coming year and remain in a position where it can deliver the Wirral Plan. The Wirral Plan sets out how public services will work better together to deliver better job opportunities, a quality local environment, better health and a good life for local older people and people with a disability.

The Council recognises the need to change to meet the aspiration of the Wirral 2020 vision. There is a requirement to understand the communities better by striving to make more decisions at a local level. To work greater in partnership across public, private and voluntary sectors and to embed them across everything that is undertaken in working towards an agreed vision.

The Wirral Plan drives to maximise opportunities to improve its efficiency at a regional level by integrating, pooling resources, demanding and achieving more freedom to make decisions. The Council continues to find new and innovative ways of working in partnership to achieve the outcomes Wirral residents need and will build upon the initiatives around Community Asset Transfer. The Integration of the Care Coordination Teams with Wirral Community NHS Foundation Trust would support this initiative and will make better use of public money to improve outcomes for residents.

It is proposed that the Integrated Care Co-ordination teams will offer multi-disciplinary care, providing a rapid response to meet both the immediate and long term needs of all patients. The service will be inclusive with no limits regarding age (over 18) or condition.

TRANSFORMATION & IMPROVEMENT

The Integrated Care Co-ordination teams will have an open referrals process whereby a referral will be accepted regardless of the source. Referrals will be encouraged from GPs, Acute Trust, Community Services, Social Services, patients, carers and neighbours, through an integrated single point of access. This is continuation and formalisation of progress made to date on integrated working.

The value of the business that is being considered for transfer is circa £7.6million, and consists of circa 210 staff. Cost and staff numbers are based on core operational staff and these amounts may change when the outcome of the back office analysis is known.

1.1. Case for Change

Wirral CCG Strategic Plan 2013 - 16 highlights the following high level targets that this service should contribute to:

- Prevent people from dying Prematurely
- Enhance the quality of life for people with long term conditions
- Helping people to recover from episodes of ill health or following injury
- Ensuring people have a positive experience of care
- Ensuring people are treated and cared for in a safe environment and protected from avoidable harm.

This will be achieved by the Integrated Care Co-ordination Teams providing an integrated stepped approach for both planned and unplanned care at home which is both patient centred and responsive to an individual's health and social needs.

Wirral has relatively high older population and a relatively low proportion of people in their twenties and thirties compared to England and Wales. Wirral's older population is increasing with the number of people aged over 65 predicted to rise by 17.4% between 2011 and 2021. The statistics for **over 85 year olds show an increase of 29.9%** during the same period.

Wirral also has a large number of people living in economic deprivation. Long term conditions are more prevalent with age and deprivation and therefore it is predicted that there will be a significant increase in the number of people living with long term conditions in Wirral. The strategy to develop integrated teams across Wirral will contribute to meeting this increasing demand.

1.2. Significant Implications

The services will be commissioned from Wirral Community NHS Foundation Trust by the Council and the CCG (Integrated Commissioning Hub described in OBC01) which is a key development for strategic commissioning. It will be a key change for NHS providers as well as for Adult Social Care. All performance indicators and delivery targets will be formally specified as part of the contract for delivery. It is expected that full integration with the NHS would offer opportunities for improved performance.

Service users rights and sources of service delivery would not be fundamentally impacted, however it would offer a more seamless model for health and social care.

2. ECONOMIC CASE

2.1. Options for Delivery

Option 1

Continue to provide in-house by continuing to directly provide Social Work Delivery function via the Council.

Risk associated with continuing in-house with the present arrangements leads to a position where demand for hospital after care (residential and nursing) and other community services is borne by the Local Authority through Adult Social Care rather than using combined resources for better outcomes. To stay in-house could pose a significant risk of unsustainable social care demand and provision.

Advantages:

- Full Council control of workforce and development of services.
- No requirement to develop a contractual relationship with a third party provider.
- No additional costs being incurred for T&Cs changes for the Wirral Health and Social Care economy. Estimated £360k per annum.

Disadvantages:

- Financially unsustainable to meet the demands of the ageing population. Continued duplication in care and support planning.
- Multiple points of entry into a system that can be confusing for people.
- Inability to unlock all commissioning and service resources to deliver improved outcomes and meet the challenge of reducing resources.
- For an Accountable Care System to be effective a whole population budget approach is necessary.

Option 2

Transfer the function to another provider (specifically, WCFT) to establish an integrated NHS and Social Care Trust to deliver a range of social work and health services as part of a service fully commissioned by the Council and the CCG based on emerging pioneer work.

Staffing costs associated with the option is 210 FTEs (circa £7.6M). However, the service will still need to be funded and the equivalent payment made to WCFT, although that may be reduced over time whilst delivering the same outcomes. The option contributes towards a saving target of £700,000 in 2016/17.

Advantages:

- Local control over quality of provision. Local control over statutory compliance.
- Potential for improved outcomes through a partnership approach.
- Cashable benefits as shown below.

Cashable Benefits	FY 1 £	FY 2 £	FY 3 £	FY 4 £	FY 5 £	Total
Reduction in staff costs (internal cost reduction)	500,000	500,000	500,000	500,000	500,000	2,500,000
Reduction in staff costs (TUPE to WCFT)		7,600,000	7,600,000	7,600,000	7,600,000	30,400,000
Reduction in care costs	700,000	700,000	700,000	700,000	700,000	3,500,000
Total	1,200,000	8,800,000	8,800,000	8,800,000	8,800,000	36,400,000

- Non-cashable benefits will be realised (e.g. reduction in central service recharge costs). Although these are an economic benefit of this option, the Council will not realise an immediate cash benefit. Such benefits will be explored in the FBC.

Disadvantages:

- Different cultures and working practices will exist between the two current teams and will require development to achieve a fully integrated and combined service with the focus on person centred support to maximise independent living rather than short term interventions.
- The service will still have to be funded and the £7.6m reduction in staff costs shown above will have to be directed into paying WCFT for delivering the service. In addition, there may be other additional staff costs related to harmonising Ts & Cs, etc. that may be incurred which will be identified through the due diligence exercise. The table below sets out an estimate of those recurring costs.

Additional recurring costs	FY 1 £	FY 2 £	FY 3 £	FY 4 £	FY 5 £	Total
Service costs paid to WCFT	0	-7,600,000	-7,600,000	-7,600,000	-7,600,000	-30,400,000
Additional recurring costs-4 days leave	0	-83,360	-83,360	-83,360	-83,360	-333,440
Additional recurring costs-T&Cs	0	-241,479	-241,479	-241,479	-241,479	-965,917
Total additional recurring costs	0	-7,924,839	-7,924,839	-7,924,839	-7,924,839	-31,699,357

TRANSFORMATION & IMPROVEMENT

- The table below sets out the one off project costs of delivering the option.

One off costs	FY 1 £	FY 2 £	FY 3 £	FY 4 £	FY 5 £	Total
Project management	-58,800	-10,800	0	0	0	-69,600
External professional advice	-43,000	0	0	0	0	-43,000
I.T movement costs	-40,000					-40,000
Total	-141,800	-10,800	0	0	0	-152,600

There may be additional costs that the Council has to incur prior to staff transfer regarding staff consultation and redundancy. These have not yet been estimated but will be in preparation of the FBC.

Project risk of decision not to proceed by Wirral Community NHS Foundation Trust would mean that the opportunity of integrating with the NHS would not be realised. The due diligence exercise will establish associated costs and financial risk of proceeding with an integrated model.

An identified risk share agreement needs to have full approval of both parties in order to reduce overspend on the council.

Risk of TUPE costs/redundancy costs.

Net Present Value:

Calculate the net benefits (benefits - costs) and the NPV (using the HMT Greenbook 3.5% discount rate)					
	FY 1 £	FY 2 £	FY 3 £	FY 4 £	FY 5 £
Total Cashable Benefits	1,200,000	8,800,000	8,800,000	8,800,000	8,800,000
Total Non-cashable Benefits	0	0	0	0	0
Total Benefits	1,200,000	8,800,000	8,800,000	8,800,000	8,800,000
Total One Off Costs	-141,800	-10,800	0	0	0
Additional Recurring Costs	0	-7,924,839	-7,924,839	-7,924,839	-7,924,839
Total Costs	-141,800	-7,935,639	-7,924,839	-7,924,839	-7,924,839
Net Cost / Benefit (a-b)	1,058,200	864,361	875,161	875,161	875,161
Present Value rate (3.5% discount)	1.00	0.97	0.93	0.90	0.87
Present Value	1,058,200	838,430	813,899	787,645	761,390
Net Present Value (NPV)	1,058,200	1,896,630	2,710,529	3,498,174	4,259,564

The net present value (NPV) compares the value of the investment and cash flows at today's prices with a projected value at the end of the designated period (5 years in this case, but this period changes based on the investment). This aims to take inflation into account, using a HM Treasury advised rate and helps distinguish between early, or upfront costs and costs that occur later. Ideally a positive NPV over the required investment period should be sought. The higher the NPV, the more attractive the project. The NPV quoted in a business case is the final year calculation (shown in red above). The NPV of each assessed option is compared to determine one metric that indicates the most economically preferable option.

TRANSFORMATION & IMPROVEMENT

This option generates net economic benefits of £875k by FY 3 through the investment of £153k in the first two years of the project. The option has a positive NPV of £4.2m over 5 years.

Further sensitivity analysis and optimism bias regarding the financial information presented above will be completed for submission in the FBC.

Option 3

Commission the market to deliver the service/outcome through an alternative outsourcing commercial model.

This would involve putting out to tender all the services currently undertaken by Social Workers to the open market.

Advantages:

- A clear contract/provider relationship.
- If fully outsourced then the individual provider would be responsible for all of the operational delivery.
- Similarly to Option 2, all staff costs would be removed from the budget. However, the service will still need to be funded and the equivalent payment made to the new provider, although the cost may reduce over time whilst delivering the same outcomes. Cashable benefits will be similar to those shown above.
- Non-cashable benefits will be realised (e.g. reduction in central service recharge costs). Although these are an economic benefit of this option, the Council will not realise an immediate cash benefit. Such benefits will be explored in the FBC.

Disadvantages:

- It has not been evidenced that full outsourcing of the statutory Social Work function would be a cost effective option for the Council. The service will still have to be funded and the £7.6m reduction in staff costs shown above will have to be directed into paying the new provider for delivering the service. There may be additional staffing costs that could be incurred.
- One off project costs, including input from procurement, HR and legal, would be required to deliver this option. These have not been estimated but are assumed to be a similar scale to those shown above.
- The Council's Social Work function has been evidenced to be low cost as compared to other Local Authorities.
- The Council retains the Statutory duties placed on it and requires confidence that any alternative arrangement for delivery of statutory Social Work functions meets quality standards.

Potential risk is that an outsourced model could be more expensive including procurement costs.

An outsourced model won't maximise the benefits of integrating with the NHS.

TRANSFORMATION & IMPROVEMENT

There is a risk that the alternative outsourcing commercial model could potential overspend against care budget allocation.

Risk share would not be advantageous for an outsourced commercial model.

Reputational risks associated.

Risk of TUPE costs/redundancy costs.

There may not be political will to outsource.

The general public have voiced concerns of outsourcing health services and may have strong views to this option.

Net Present Value:

Not costed

2.2. Preferred Option

Option 2 Transfer the function to another provider to establish an integrated NHS and Social Care Trust to deliver a range of social work and health services as part of a service fully commissioned by the Council and the CCG based on emerging pioneer work.

- The preferred option will be further developed in the Full Business Case.
- It is recommended as it is believed to have the best opportunity to deliver the outcomes as stated in the Wirral Plan.
- The preferred option offers the best opportunity to integrate as part of the wider Accountable Care System.

Options not considered viable to be taken forward for further consideration:

- **Decommission service (part of whole)**
Not possible to decommission as it is a statutory duty of the Local Authority to deliver the functions of the Care Act and any other relevant legislation.
- **Transform the asset to community/other body**
No community asset or other body currently exists locally. It is vital that the delivery continues to be provided in a clear statutory regulatory body.
- **Market shaping to create supply**
To shape the market to create the type of body required, if possible, would be time and resource intensive.
- **Re-negotiating existing arrangements/contracts with suppliers**
Delivery services are currently provided collaboratively but this would not achieve the full benefits of an integrated service.
- **Joint commission of the service (including sharing delivery of the service)**
Delivery services are currently provided collaboratively but this would not achieve the full benefits of an integrated service.

TRANSFORMATION & IMPROVEMENT

- **Joint venture (public/private sector partnership)**
A single accountable provider is required.
- **Hybrid model using two or more options**
Size and complexity of the service does not lend itself to a hybrid model

2.3. Financial Effects

This OBC needs to be read in conjunction with OBC1 in relation to the future savings that can be achieved via more efficient collaborative commissioning.

The additional costs for this option reflect the risk that potential harmonisation of public sector T&Cs may incur additional costs.

The preferred option has specifically saved £500K on staffing from April 2016 (taken out in advance of staff transfer in anticipation of greater self-assessment and partnership working). Although there will be a reduction in direct staff costs (due to staff no longer being employed by the Council), there will be no direct savings from this change because WCTF will need to be paid to deliver the service. £700,000 is an efficiency saving across all care budgets.

3. COMMERCIAL CASE

3.1. Key Risks

- That the outcome of the Due Diligence exercise does not support the proposed option for the integration of service delivery. The contract has been awarded to the preferred tender and the findings are expected end of June 2016. The due diligence will be investigating all risks and issues for both Wirral Council and also Wirral Community NHS Foundation Trust and will be concentrating on the following four areas:
 - Model of delivery/workforce
 - Finance and contracting
 - Legal/statutory compliance
 - Corporate Support Services commonly referred to as Back Office Function
- Efficiencies from back office functions/central support may not be realised.
- Careful relationship management is required to ensure delivery of contract requirements.
- Contract content must be comprehensive in order to ensure statutory compliance.

4. FINANCIAL CASE

4.1. Investment

TRANSFORMATION & IMPROVEMENT

£43,000 has been assigned by both agencies to cover the due diligence exercise. This will identify any associated staff/harmonising of terms and conditions and pension costs.
Part costs of dedicated project management support.

This analysis indicates that, if Option 2 is pursued, based on forecast contract harmonisation that some cost could be incurred affecting financial viability over the long term.

Calculate the cash savings and costs over time to understand the cash value required to pay for the project before benefits accrue						
	FY 1 £	FY 2 £	FY 3 £	FY 4 £	FY 5 £	Total
In year Savings	500,000	700,000	0	0	0	1,200,000
In year Costs	-141,800	-335,639	-324,839	-324,839	-324,839	-1,451,957
In year Net Cost / Saving	1,058,200	364,361	-324,839	-324,839	-324,839	-251,957
Cumulative Net Cost / Saving	1,058,200	722,561	397,721	72,882	-251,957	

4.2. Additional Resources

Officer time from both agencies assigned to manage and progress the key activities and milestones within the supporting work streams. The calculations are shown within the financial costings table.

5. MANAGEMENT CASE

5.1. Timescales

- Shadow Operating Model April 2016
- Completion of Due-Diligence Exercise June 2016
- Meeting between Council Leadership and Trust none-exec's July 2016
- Updated report to cabinet Leadership September 2016
- Fully integrated Operating Model 1 April 2017

A full project plan is available with key deliverables including tasks and milestones covering all work-streams that support the delivery of the project and the programme board regularly take place to ensure the progress of the milestones against the project timeline.

5.2. Key Decisions

TRANSFORMATION & IMPROVEMENT

The due diligence outcome will be reported to the Wirral Community NHS Trust Board and to cabinet in September 2016 where approval to proceed with the integrated service delivery will be sought.

5.3. Key Communications of Consultation (Internal and External) Requirements

A joint communications plan has been produced and is available for reference which has been presented to the relevant Trade Unions and subsequently approved. It will be used for both staff and public engagements and key communications including press releases. TUPE/secondments will be addressed once the delivery model has been fully drawn up. Previous engagement with the public through Healthy Wirral has been used to clarify public priorities for Health and Care, this work will be used to inform this project delivery. Reporting lines and working priorities as well as transfer related issues are currently being developed through a joint HR workstream. Regular meetings are taking place with the Trade Unions to keep them informed.

5.4. Staffing Issues

With directly affected circa 210 FTE from Wirral Council. Cost and staff numbers are based on core operational staff and these amounts may change when the outcome of the back office analysis is known. Present practices and working conditions such as unpaid leave, gradings and pension are within the remit of the due diligence exercise and the impact will be considered accordingly.

6. KEY RISKS AND POTENTIAL MITIGATION

A risk register has been produced with aligned mitigation actions and is actively reviewed to ensure that the risks are being managed.

Risk	Probability	Impact	Risk Score	Risk Response / Mitigation / Contingency Action
If the transfer of the workforce and funding from council to Wirral CT if it is insufficient to meet the future increasing demand on service then there is a potential for a renegotiation of the Councils contributions	3	4	12	Robust capacity and demand work to be undertaken. Continuous monitoring of activity levels and referral/discharge rates into the service and managed through monthly contract meetings with Commissioner partnership. The detail and agreement within the contract is paramount.

TRANSFORMATION & IMPROVEMENT

If the expectations of delivery within budget, agreement around risk share of any overspend is not agreed then this could impact on obtaining sign off to proceed.	3	3	9	The due diligence exercise to identify the risk share of any overspend.
As the Council is committed to delivering services in partnership, for better outcomes for people, the service must be effective and deliver outcomes, if there is conflicts with the priorities of Wirral CT then this could impact on service delivery.	2	2	4	Ensure a performance management framework is incorporated in the operating model. Effective contract monitoring and relationship management is developed.
As the Council has a range of statutory duties in Adult Social Care. As the model develops and skill mix increases, it is vital that all staff are clear on their statutory duties on behalf of the Council. If the statutory duties of Wirral CT conflict with the Council's this could impact on the statutory requirements of future delivery.	2	2	4	Ensure statutory duties are captured within the operating model and staff are fully trained on the requirements. Effective contract monitoring and relationship management is developed.
There is a risk that staff consultations could be protracted, affecting target implementation dates.	4	4	16	Staff Communication: must be coordinated and planned in order to engage staff fully.
All staff in the new model must be aware of the need to follow processes required in order to collect required reporting data for Health and Social care returns. If the data is not reported correctly. under the new model it could impact on service delivery and standards.	2	2	4	Comparing reporting frameworks, training and guidance must be incorporated within the operating model and guidelines. Effective contract monitoring and relationship management is developed.
In order to achieve a fully integrated service, CCG commissioning intentions should be clear for the medium term in order for the CT to commit. If there are any uncertainties this could impact on the effectiveness on the delivery of the medium term outcomes.	3	3	9	CCG should ensure a clear understanding of the commissioning intentions is provided. The integrated service would be jointly commissioned by the CCG and the Council.

TRANSFORMATION & IMPROVEMENT

<p>The ultimate model agreed will rely on a pooled budget and joint commissioning of contracts/services to draw down on. If an agreement cannot be obtained then this could impact on the approval process to proceed.</p>	<p>3</p>	<p>3</p>	<p>9</p>	<p>Due diligence and pool budgets are listed as a deliverable in the Finance workstream.</p>
<p>IT systems should ideally link. If there is duplication within 2 systems carries a risk of errors and omissions.</p>	<p>3</p>	<p>3</p>	<p>9</p>	<p>ICT and estates workstream should list this as a milestone within their workstream project plan. Healthy Wirral workstream on Wirral Social Care Record in the long term should minimise this risk and the current planned implementation of N3 connection between IT systems.</p>
<p>Secondment arrangements - if staff are seconded and then a decision is taken to TUPE the staff. The TUPE date commences as of the original secondment date. This would also give rise to breach of consultation and could be rejected by the staff members affected.</p>	<p>2</p>	<p>4</p>	<p>8</p>	<p>Explore further and consider in more detail at Stage 2 of project. Involvement of HR partners from agencies and regular negotiations with Trade Unions.</p>
<p>If through a TUPE arrangement there is a potential for equal pay claims as NHS T&Cs are more favourable which could impact on the financial position.</p>	<p>4</p>	<p>4</p>	<p>16</p>	<p>It's a remit of the due diligence exercise to investigate this. Explore further and consider in more detail at Stage 2 of project. The terms of transfer will be clearly set out in the Contract.</p>

People Overview and Scrutiny Committee

REPORT TITLE:	Transforming Wirral - DASS Business cases
REPORT OF:	The Chair of the Committee

REPORT SUMMARY

At the previous meeting of this Committee (14th July 2016), the Senior Manager for Transformation & Improvement presented a report relating to the involvement of scrutiny in reviewing new service models as they are developed. Committee agreed to the general proposals in that report and gave delegated authority to the Chair, Vice Chair and Spokespersons to agree arrangements for the scrutiny of specific transformation projects, as appropriate.

Two business cases, both relevant to the remit of this Committee, are at a stage where review by scrutiny members is appropriate. The business cases relate to:

- Creating a commissioning hub to jointly commission services with Wirral Clinical Commissioning Group (CCG)
- Creating integrated community care teams with Wirral Community NHS Trust to deliver services to older people

As a result, a workshop was held on 10th August 2016 at which the approach to the two outline business cases were explained and examined in further detail. The outcomes from the workshop are detailed in this report.

RECOMMENDATION/S

It is recommended that:

- a) Committee notes the report;
- b) Committee refers the report to a future meeting of Cabinet.
- c) The operating model and contractual arrangements are developed to ensure that the key points made by Elected Members, detailed in the report, are addressed.
- d) Further consideration be given to the optimal timing for the involvement of scrutiny in the development of future business cases.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

To ensure that the views of scrutiny members on the two business cases are reflected to Cabinet, prior to further relevant decisions being taken.

2.0 OTHER OPTIONS CONSIDERED

Pre-decision scrutiny is regarded as good practice and is aimed at strengthening the decision-making process.

3.0 BACKGROUND INFORMATION

3.1 Scrutiny workshop – 10th August 2016

A workshop was held on 10th August 2016 to review two outline business cases which form part of Wirral Council's Strategic Transformation Programme. The business cases relate to:

- Creating a commissioning hub to jointly commission services with Wirral Clinical Commissioning Group (CCG);
- Creating integrated community care teams with Wirral Community NHS Trust to deliver services to older people.

All members of the People Overview & Scrutiny Committee were invited to attend. Nine Committee members attended the session: Councillors Moira McLaughlin(Chair), Angela Davies (Vice Chair), Bruce Berry, Alan Brighthouse, Wendy Clements, Chris Meaden, Tony Norbury, Denise Roberts and Warren Ward. Apologies were received from Councillors Treena Johnson and Tom Usher. The Director of Adult Social Services presented details of the business cases following which a question and answer session was held and members had the opportunity to comment on the proposals.

It is intended that the comments provided by members at the session will be made available to Cabinet prior to further decisions being made regarding the future of these two business cases.

3.2 Integrated Commissioning Hub: Context

It is proposed to establish an Integrated Commissioning Hub to work on behalf of Wirral Council and Wirral CCG. This project will enable both organisations to pool resources to meet growing demand and to develop a sustainable health and social care economy. Bringing together commissioning resources will help to achieve better outcomes for residents in Wirral by developing more joined-up services and un-locking resources across the health and care economy of circa £850 million.

Closer integration of health and social care has been a central policy driver to help meet growing demand for health and care services. Locally, the Healthy Wirral programme was established to provide a health and social care sector response to the significant system wide pressures in Wirral. It is intended to create an Accountable Care System working with a single set of resources by

2020. The creation of an integrated commissioning hub will be a significant step towards that goal.

3.3 Integrated Care Co-ordination Teams: Context

It is proposed to transfer social care delivery to Wirral Community NHS Foundation Trust and to commission this service from them. The integration of the key assessment and support planning functions of adult social care will enable social workers and nurses to work together much more effectively delivering the “Right Care in the Right Place at the Right Time.”

Social workers and nurses provide front line support to the people of Wirral. They assess for and organise a whole range of inputs that are essential in keeping people healthy or in supporting them to remain independent including diagnosis, treatment, care and support planning, rehabilitation and health promotion and so on. It is proposed that, in Wirral, the Integrated Care Co-ordination Teams will be the method of delivering health and social care directly to older people that need support. It is intended that integration will be a means to improve access to services, client satisfaction and efficiency.

The integration of the key assessment and support planning functions of adult social care with the community NHS support functions of the Wirral Community Trust will enable social workers and nurses to work together much more effectively in a single organisational model.

3.4 Elected member comments

During the session the following comments were raised by members:

Staffing:

A member raised concerns regarding the impact of the proposals on existing staff with particular reference to job security and the potential impact on roles. Members were informed that, in general, staff support the principle of creating an integrated health and care model. No redundancies were envisaged, although the changes may eventually lead to some changes in roles at a future point. The impact on terms and conditions is also a key element for staff. Joint engagement sessions with health and social care staff have been held and monthly meetings with the Trade Unions are being held. Best practice from other Local Authorities shows that, in order to achieve a positive outcome, staff need to be fully engaged in the process.

It is envisaged that the commissioning hub will be primarily based in Old Market House; whereas the care delivery teams will continue to be based in the relevant localities across the borough, albeit in Wirral Community Trust accommodation.

Increasing demand for services and the need to reduce resources:

A member questioned whether the major driver for change was the need to pool reducing resources or the ability to commission new services. A major driver for change is the necessity to manage demand across the health and

care system. In the past, commissioning of services has taken place in silos. An aim for the future is to work towards commissioning for outcomes. Joint commissioning will provide greater scope to increase the role of technology in creating greater independence for people in their own homes. The commissioning process will also need to enable different services to be commissioned on different footprints where appropriate.

Back-office staff:

Members were reassured that the role of back-office staff, including administrative staff, will be carefully considered during the transition process. However, the impact on the potential use of re-chargable services, such as HR, Finance and Legal needs to be considered further. As staff transfer to alternative providers, the demand for these re-chargeable services, continuing to be provided by the Council, will reduce.

Improved focus on the needs of clients:

A member queried the likely impact of the proposals on the people who receive care. Members were informed that clients expect services to be integrated. Currently, clients may well have to tell their story more than once. As an example, a client may currently have separate assessments for a health, care or Continuing Healthcare need. From a client's perspective, there are benefits to be gained from an integrated system rather than being passed from one provider to another or by falling through the net.

The role of primary care is also critical to the delivery of an integrated service. Part of a national programme, the inclusion of Wallasey practices in a Health Education North West trial demonstrated the value of professionals working together effectively. During the trial social workers were placed within the GP practice.

Risk management:

The due diligence process is helping to identify the major areas of risk and ensuring that effective actions can be put in place to mitigate against them.

Key areas include:

- As the statutory duty to deliver the implementation of the Care Act lies with the Council, clarification is required regarding the delegation of the function of care to Wirral Community Trust. Appropriate quality assurance will be required.
- There will be a reduced requirement for the services currently provided by the Council's corporate support functions. Assessment of the long-term impact on those service areas is required.
- The Council needs to ensure that all statutory duties are being met.

Finance:

In response to a question whether the combined health and care budget of £850 million is ring-fenced, members were informed that although some elements, for example, adaptations are ring-fenced the majority of the budget is not defined for specific services. The challenge will be to keep within the resource of the combined health and care budget.

It was noted that, at a national level, there is no indication of major additional funding being made available for health and social care. It is essential that the current resource is used more effectively, for example, in reducing duplication such as by acute hospitals working together to reduce back office requirements.

It was also noted that there is an intention for the provision of acute hospital services to move from the previous tariff-based system to a cash-limited system or capitated budget. In the longer-term, the big shift in resources is intended to see a reduction in spend on high-cost acute care and an increase in community care.

It is intended that the Population Health Model, supported by Cerner, will be carried forward from the Vanguard programme. This model will help the health and care system to better understand individuals' health needs.

Transfer of skills:

A member noted that social workers and community nurses have different roles and asked whether hybrid roles were envisaged. Members were informed that, although social workers and community nurses have different roles, they are often dealing with the same clients and their roles do overlap. Identical roles are not envisaged in the future, but it is likely that it will be possible to reduce the number of visits by improving coordination. This will also lead to an improved experience for clients.

It was noted by a Member that as roles of staff change, there will be a need to upskill staff. Members were reassured that workforce development is a key priority.

Performance management:

Performance measures are currently being identified. It is envisaged that the measures will incorporate both qualitative and quantitative data although further work is required to identify appropriate indicators. Best practice from other Local Authorities will form a basis for this work.

It was noted that complaints made to commissioned providers are not necessarily recorded in the DASS complaints system. As more services are commissioned, Members are concerned that the complaints system is able to provide a complete picture.

The scrutiny process:

A member noted that as, for each of the two business cases only one active option was provided and those options were likely to be approved, the scope for real pre-decision in this case has been limited. For future business cases, it is suggested that the optimal timing for the involvement of scrutiny ought to be considered.

4.0 FINANCIAL IMPLICATIONS

Although there are financial implications arising from the business cases, there are no financial implications arising from this scrutiny process.

5.0 LEGAL IMPLICATIONS

There are no legal implications arising from this report

6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

Although there are resource implications arising from the business cases, there are no resource implications arising from this scrutiny process.

7.0 RELEVANT RISKS

Not Applicable

8.0 ENGAGEMENT/CONSULTATION

Not Applicable

9.0 EQUALITY IMPLICATIONS

There are no direct equality implications of this report.

REPORT AUTHOR: Alan Veitch
Scrutiny Support
telephone: 0151 691 8564
email: alanveitch@wirral.gov.uk

APPENDICES

REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
People Overview & Scrutiny Committee 'Transforming Wirral'	14 th July 2016

OUTLINE BUSINESS CASE (Doc. 001)

The Outline Business Case (OBC) builds on the Strategic Outline Case and signals a potential new programme or project. The OBC sets out that the programme or project:

1. **Strategic** Meets a business need
2. **Economic** Will deliver clear benefits and/or provide value for money
3. **Commercial** Is viable
4. **Financial** Is affordable and realistic
5. **Management** Is achievable with the capability and capacity to be delivered

Programme/Project Name:	Integrated Commissioning Hub Wirral CCG		
Programme/Project Sponsor:	Graham Hodgkinson		
Programme/Project Manager:	Jacqui Evans	Contact Details:	0151 666 3650
Date approved by Senior Leadership Team (SLT):			

1. STRATEGIC OUTCOME(S)

The Cost of Adult Social Care is a significant issue for the Council. Whilst progress has been made in creating a more cost effective social care system, and commissioning arrangements have delivered significant efficiencies. Social Care does not, operate in isolation and the inter-dependency between Health and Care systems has become increasingly clear over recent years. The Better Care Fund has enabled integrated commissioning to begin to develop and offers some protection of social care, as well as a platform to develop services that work across health and care to help people be as independent as they can.

Closer integration of health and social care has been a central policy driver to help meet growing demand for health and care services. It is a key theme in the 'Five Year Forward View', which states that the NHS will need to "take decisive steps to break down the barriers of how care is provided".

Locally, the Healthy Wirral programme was established to provide a whole health and social care sector response to the significant system wide pressures in Wirral by creating an Accountable Care System working within a single set of resources by

TRANSFORMATION & IMPROVEMENT

2020. The proposal to create an integrated commissioning hub will contribute to meeting the challenges of growth and demand through using our resources jointly to create a sustainable health and care system meeting the following strategic outcomes for the public:



The effective commissioning of resources across the whole system linking NHS large scale contracts with care contracts and Better care Funds is a fundamental plank to building an accountable care system for Wirral.

In addition to the above outcomes the commissioning hub will contribute to Wirral's 2020 partnership pledges

- *Wirral Plan Pledge 1: Older People Live well*

Bringing together all of the commissioning resources will help us to achieve better strategic coordination of the delivery of outcomes for the people of Wirral that need support. We can develop more timely joined up services unlocking resources from right across the health and care economy of circa £809M. (Joint Commissioning Group 11th May 2016)

- *Wirral Plan Pledge 6: People with disabilities live independently*

The integration of adult commissioning resources and those of the CCG into pooled funds with the NHS will enable us to provide better outcomes for people with disabilities in Wirral, underpinned by the All Age Disability Strategy. Resources will be more effectively focussed and used to deliver the three strategic priorities;

TRANSFORMATION & IMPROVEMENT

- All people with disabilities are well and live healthy lives
 - All young people and adults with disabilities have access to employment and are financially resilient
 - All people with disabilities have choice and control over their lives
- *Wirral Plan Pledge 16: Wirral Residents live healthier lives*

Bringing together commissioning resources with the NHS closely aligns to the strategic aims within the Wirral Plan and the partnership work through the “Healthy Wirral” programme this will enable a much more joined up approach to early intervention and prevention.

In preparation for the revenue Budget 2014 to 2017 the public were consulted “What Really matters” on the integration of health and care the initiative was supported. (In the Revenue Budget paper 2014/17 (12th February 2014) £4M of savings were identified to be achieved from integration over the period. The achievement of these savings has been a core part of the integration agenda both in relation to service commissioning and OBC 2 delivery.

2. COST SUMMARY

Project costs:

- Specific project management support through current transformation PM Officer – funded through the Transformation Team.
- Approximate cost 6 months proportionate cost of 1 day a week = £7,200.
- Financial analyst support – approximate cost 6 months proportionate cost of 1 day a week = £7,200 however internal support may be available.
- A day a week of Legal and HR resource requirement – assumed will be supplied in-house and absorbed in-house. Approximate cost 6 months proportionate cost of 1 day a week = £20,000.
- Intelligence support - demand and capacity modelling - £7,200 for 6 months at 1 day a week.
- Procurement and contracting support - £7,200 for 6 months at 1 day a week.

TRANSFORMATION & IMPROVEMENT

- A specific due diligence exercise may be required in relation to the Pooled fund arrangements for the whole care budget. This is estimated at £40,000 based on experience of other integration projects and would be jointed funded by Department of Adult Social Services (DASS) and Clinical Commissioning Group (CCG) if required.
- Chief Officer time will contribute to the delivery of “Healthy Wirral” and Joint Strategic Commissioning. These are key to delivering the 2020 pledges. Project support and leadership will continue to draw considerably on the resources provided through existing employees within DASS and the CCGAs this is core activity the cost is assumed to equate to the DASS commissioning resource of £3.9M.

ICT costs associated with OMH plans to be funded through Asset Management recharge – one off costs and ongoing recharges - £40,000.

3 BENEFITS SUMMARY

Bringing together commissioning resources will help us to achieve better outcomes for the people of Wirral that need support.

This includes commissioning a broader range of services that are delivered in a timely and responsive manner. The focus of those services will increasingly be on maintaining and supporting peoples independence, supporting people to remain at home in their local communities and continuing to reduce unplanned admissions into Hospital. The Integrated hub will enable to do this by un-locking resources from right across the health and care economy of circa £809M although it is recognised that the hub will not directly control all of this resource.

The primary aim will be to reduce the impact of demand across the whole system and to reduce duplication and diversion of effort across organisations from a Council perspective this will contribute to delivering the savings target for Cost of Care and Demand Management pressures for social care alone of circa £3.3m per annum.

An example of duplication and cost exits around NHS Continuing Care where a great deal of effort on behalf of Health and Care is focussed on who pays for a care package, rather than on getting the right package then aggregating up population needs to commission the most effective range of services to meet complex needs. The current approach leads to a fragmented and unsatisfactory response for the individual and a fragmented approach to planning for need which is wasteful in terms of cost.

The whole system approach will ensure that all resources are used effectively across health and care. Value for money priorities are reflected in our Local Delivery

TRANSFORMATION & IMPROVEMENT

System Plan which has been developed to transform care to meet the cost of care and demand not only for the Council as above but for health and care, the priorities are:

- a. Reducing variation
- b. Developing an accountable care system
- c. Developing a whole system financial strategy
- d. Service integration and reconfiguration
- e. Urgent Care re-design
- f. Driving new models of care
- g. Population health management
- h. Integrated commissioning
- i. Whole system estates strategy

It is expected that the creation of a fully integrated commissioning hub with the Clinical Commissioning Group will be a substantial first step towards creating an “Accountable Care System” across Healthy Wirral partners.

The pooling of resources for Older People, people with Physical Disabilities and Mental Health over the next three years will enable us to maximise the impact of health provision through influencing contractual outcomes, and to ensure that all providers are focussed on helping people to be as independent as possible. The value of these three pooled budgets will be required to be quantified over the coming months.

Work on the Better Care Fund (BCF) business case, urgent care provision and the joint commissioning of a range of community and early supported discharge services have shown the value of very close collaboration. System outcome benefits have included:

- 5% reduction in un-planned Hospital admissions
- 1366 admissions prevented by rapid community services
- 464 admissions prevented by community older peoples service
- 9% reduction in admissions to residential and nursing care (56 a year)
- 90% of people are still at home 91 days post reablement

A number of services will continue to be jointly commissioned within the current framework to maintain and enhance out of hospital care:

- Community rapid response team – fast response to prevent unnecessary admissions to hospital
- Intravenous antibiotic service – providing antibiotics to people in their own homes to reduce admissions and support timely discharge

TRANSFORMATION & IMPROVEMENT

- Street triage – working with the police and ambulance service to support people with mental health and substance misuse issues
- Community older people’s service – community support for older people
- Dementia nurses – supporting people with dementia to return home rather than being admitted to hospital
- Wirral Independence Service – provision of community equipment, falls prevention and response service, tele-care and tele-health services
- Intermediate and transitional care beds - alternative to hospital admission or to support earlier discharge from hospital
- Domiciliary care – provision of social care at home, care arranging team, reablement and mobile night service to support people at home

The above schemes are only a small part of the total health and care picture. The level of integration and joint strategic decision making can be further enhanced by formally bringing together commissioning resources and capacity across the health and social care economy.

Specifically it is envisaged that changes will be made impacting upon the areas of joint commissioning, quality assurance and commissioning support arrangements.

1. STRATEGIC CASE

The Council must deliver a balanced budget against significant challenges over the next 5 years. The Wirral Plan sets out a strategic framework for public services working better together to deliver better job opportunities, a quality local environment, better health and a good life for local older people and people with a disability.

NHS services equally need to respond to the challenge of growing demand and expectations. The “Healthy Wirral Programme” provides a platform and governance structure to ensure that services are more effectively joined up to use resources to best effect and to deliver improved outcomes for the people of Wirral.

Partners recognise the need to change to meet the aspirations of the Wirral 2020 vision and Healthy Wirral. There is a requirement to understand the communities better by striving to make more decisions at a local level. Moving from “What is the matter with you?” to “What matters to you?”

This does mean working in greater partnership across public, private and voluntary sectors and to embed them across everything that is undertaken in working towards an agreed vision.

TRANSFORMATION & IMPROVEMENT

The Wirral Plan and Healthy Wirral together are positioned to drive opportunities for improved efficiency across a number of footprints by integrating, pooling resources, commissioning for better outcomes and demanding and achieving more freedom to make decisions locally.

1.1 Case for Change

Health & Social Care Integration

The case for health and social care integration has been well rehearsed over a number of years. Government have set out an aspiration for health and social care to be fully integrated by 2021. In addition, in order to address the national funding gap, Health organisations have recently been mandated to produce a Sustainable Transformation Plan which sets out how each 'Health System' will achieve financial sustainability by 2021. This is currently being developed locally, across a Cheshire and Merseyside footprint. Plans for the integration of health and social care also need to form part of a wider Health and Wellbeing Strategy for Liverpool City Region.

In consultation with our local communities, work needs to be undertaken to understand the detail of current and future health needs of our population. In addition to understanding health needs, we must ensure that any plans to address those needs are informed by an analysis of the health economy in the context of our wider local economy.

The transformation of health and social care will prove critical if health is to achieve its aim to reduce demand on hospital services by providing alternative care and support in the community. To date Integration Plans have been developed at a local level between individual Local Authorities and Clinical Commissioning groups. However, local plans need to be aggregated to form a picture of proposed Integration across LCR and to develop a Liverpool City Region Local Delivery Plan for Integration and the Transformation of Social Care.

The approach needs to be adopted in order to improve the following:

- Clarity of vision, developed through public engagement undertaken jointly through the Healthy Wirral Programme and insight activity, to develop the ability to jointly articulate this vision to Wirral residents.
- A single, joint commissioning approach using all resources for areas such as older people, mental health and advocacy, for people with complex needs, and for carers.
- A single provider framework and commissioning gateway, to ensure clarity for providers and a single cohesive approach that offers assurance on value for money.
- Developing and shaping the care market through a single market management strategy, with commissioners working together to shape the market, and to take joint responsibility for quality to reduce the likelihood of market failure.

TRANSFORMATION & IMPROVEMENT

- Enhanced capacity to provide Quality Assurance across the care sector and to measure and report on outcomes to support the review of commissioned services.
- An integrated approach will contribute to meeting Cost of Care and Demand Management pressures.
- Reducing the need for duplication of effort where representatives from Health and Care have been required to work on all projects
- Greater clarity for patients
- Pooled budgets where this will deliver significant gains in meeting demand, examples include working to support older people, people with disabilities that have complex needs, and providing effective mental health services.
- In addition to the key changes for commissioning the model is critical to the effective delivery of the programme for integrating operational services across all age disability services, mental health and community care teams.

Gains

Wirral has a relatively high older population and a relatively low proportion of people in their twenties and thirties compared to England and Wales. Wirral's older population is increasing with the number of people aged over 65 predicted to rise by 17.4% between 2011 and 2021. The statistics for over 85 year olds show an increase of 29.9% during the same period.

Wirral also has a large number of people living in economic deprivation. Long term conditions are more prevalent with age and deprivation and therefore it is predicted that there will be a significant increase in the number of people living with long term conditions in Wirral. The strategy to develop integrated teams across Wirral will create greater commissioning capacity by driving out efficiency allowing this increasing demand to be met.

Operating Principles for integrated strategic commissioning:

- To make effective use of resources from across the whole health and care economy to achieve agreed outcomes and strategic goals
- Improve outcomes for the population of Wirral.
- To place quality, innovation, productivity and prevention at the heart of its business by considering the impact of decisions on the quality of care and the patient experience.
- Work to a common purpose on behalf of the citizens of Wirral.
- Promote diversity and quality in the care and support market.
- Operate to ensure the statutory duties of respective functions are complied with and that the risks associated with both organisations are understood and shared.

TRANSFORMATION & IMPROVEMENT

- To ensure transparent information sharing in relation to business planning, performance and financial information.
- To provide a focus for the development and reporting of integrated commissioning in the key areas.
- To ensure commissioning plans are evidence and intelligence based.
- To have pragmatic and effective arrangements with providers to enable creative solutions to be found.
- To ensure there is an effective and stimulated market place.
- To ensure all commissioning activity relates to the required outcomes of Healthy Wirral.

1.2 Significant Implications

This proposal shifts the responsibilities for health and care provision much more closely into the developing Accountable Care System approach. This will ensure a seamless and integrated approach to the commissioning and delivery of health and social care for the public of Wirral. The associated key benefits include people being able to benefit from rapid access to services, seven day services in their local communities, improved experience and outcomes, and better use of the Wirral pound to sustain local services.

Decisions and plans increasingly need to be made across the health and care system due to relative impacts. Key personnel will move into an integrated hub and work across organisations. DASS responsibility and accountability will become shared with the CCG as budgets are increasingly pooled across the health and care system.

2. ECONOMIC CASE

2.1 Options for Delivery

Options for delivery are discussed in the context of the statutory commissioning functions that the LA must execute in relation to social care. These can be summarised as, the Council must:

- Commission a range of provision of high quality, appropriate services to choose from
- Undertake Care Market shaping and oversight
- Ensuring continuity of care should care businesses fail
- Deliver integrated health and care to benefit people that require support
- Provide information to the public for making good decisions regarding care
- Promote local access and ownership and drive partnership working
- Promote social inclusion and wellbeing

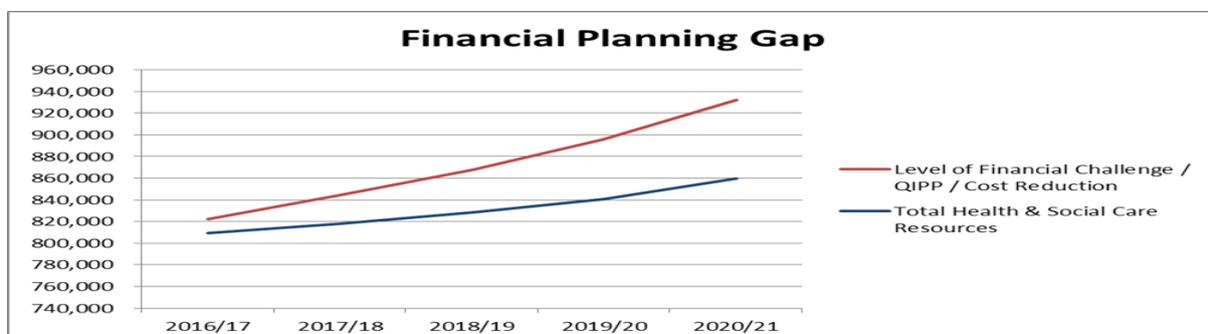
TRANSFORMATION & IMPROVEMENT

- Deliver an integrated whole systems approach to supporting communities

The Health and Care economy as a whole offers the opportunity to access a much greater resource than the Council alone has access to. Work completed for Healthy Wirral shows potential commissioning resources of over £809M PA, these are shown in the table below. Please note the table below is work in progress related to healthy Wirral. It does include Children's and public health resources that are not formally part of plans for pooled funds.

Resources	£ m 2016/17	£ m 2017/18	£ m 2018/19	£ m 2019/20	£ m 2020/21
- Adult Social Care (ASC)	67.079	67.079	67.079	67.079	67.079
- Children & Young People (CYP)	70.800	70.800	70.800	70.800	70.800
- Public Health (PH)	30.706	29.840	28.544	27.299	27.461
- CCG	460.264	471.871	483.856	497.014	516.054
- NHS England (Primary Care)	75.794	75.794	75.794	75.794	75.794
- NHS England (Specialised Services)	74.269	74.269	74.269	74.269	74.269
- Pooled Budget (Better Care Fund)	30.249	28.268	28.268	28.268	28.268
Total Health & Social Care Resources	809.161	817.921	828.611	840.523	859.725

The table above shows the significant level of potential resources across the whole system, however risks across the whole system are also significant. The table below illustrates the size of the challenge should nothing be done to change the way health and care resources are used.



Option 1 **Continue to provide in-house**

Risk associated with continuing in-house with the present arrangements leads to a position where demand for hospital after care (residential and nursing) and other community services is borne by the Local Authority through Adult Social Care rather than using combined resources for better outcomes. People could continue to experience a lack of joined up strategic planning with fragmented strategic priorities leading to financial deficit. To stay in-house could pose a significant risk of unsustainable social care demand and provision as well as continued fragmentation which tends to be experienced very negatively by people that need care and support. This would fail to address the system gap identified.

Advantages:

- Full control of workforce and development of services
- Ability to reduce commissioning perspective narrowly to Local Government statutory functions

Disadvantages:

- Financially unsustainable to meet the demands of the ageing population. Inability to unlock all commissioning and service resources to deliver improved outcomes and meet the challenge of reducing resources. For an Accountable Care System to be effective a whole population budget approach is necessary.
- Duplication of effort of both health and social care commissioners for reducing demand

Option 2

Joint commissioning through a public sector partnership to establish an integrated Commissioning Hub working on behalf of Wirral Council and Wirral CCG

Joint commissioning has been previously delivered between adult social care and the NHS through the Better Care Fund a pooled resource of approximately £28M which has shown the benefit of pooled resources and integrated commissioning (see page 5). This project will enable both organisations to pool resources to meet growing demand and to transform to enable a sustainable a health and social care economy.

Advantages:

- Ability to respond to local priorities, to unlock resources and capacity from across health and care resources and providers.
- Ability to share resources to manage the market and to ensure quality of provision.

Disadvantages:

- The health and care system has traditionally focussed on people that are already poorly and in need of support.
- The model needs to ensure that all opportunities are taken to work across the broadest partnership in order to ensure a cohesive approach to prevention and early intervention to enable Wirral residents to live healthier lives

Options not considered viable to be taken forward for further consideration:

- **Decommission service (part or whole)**
The functions being integrated are statutory commissioning functions not a service.
- **Commission the market to deliver the service/outcome**
A commissioning function is required to commission the market that is the business of the integrated commissioning hub
- **Transform the asset to community/other body**
The integrated commissioning hub will in effect carry out the statutory commissioning functions of the LA and the CCG it is not an asset to be transformed
- **Transform the function to another provider (wholly owned/new organisation/existing entity)**

The Integrated commissioning hub needs to carry out the statutory commissioning functions of the LA and the CCG direct line of sight is required for the Director of Adult Social Care

- **Market shaping to create supply**
This is a commissioning function not a supply chain service
- **Re-negotiating existing arrangements/contracts with suppliers**
This is part of the commissioning function to reduce cost
- **Joint commission of the service (including sharing delivery of the service)**
The Integrated commissioning hub needs to carry out the statutory commissioning functions of the LA and the CCG direct line of sight is required for the Director of Adult Social Care

- **Hybrid model using two or more options.**

2.2 Preferred Option

Option 2 Joint commissioning venture public sector partnership to establish an integrated Commissioning Hub working on behalf of Wirral Council and Wirral CCG.

The economic and effective outcome drivers for this option are clear;

- Demand for health and care support is experienced across the whole health and care system
- Health and social care services have a direct impact upon each other – (for example delayed transfers of care)
- There is a statutory requirement to commission more integrated services.
- Planning frameworks are coming much closer together
- There is duplication across commissioning systems
- The 2020 pledges require joined up approaches to delivering better outcomes
- Joined up rather than fragmented services offer clearer pathways and a single front door for people
- The Accountable Care System model will enable a range of statutory duties to be met through one approach

The preferred option will be further developed in the Full Business Case.

2.3 Financial Effects

At this stage the financial effects of the preferred option are shown for the Council only. There will be benefits to the CCG and wider community that will be explored during the FBC. The benefits from this option enable the service to meet future anticipated demand that would put pressure on its present budget. The project delivers cost avoidance (as set out in the table below) delivered through collaborative organisational structures and efficiency and does not constitute a reduction in budget.

Cost Avoidance	£
Cost avoidance - reduction in cost of care	500,000
Cost avoidance - OP annual growth	1,000,000
Cost avoidance - LD annual growth	1,000,000
Cost avoidance - inflation	800,000

TRANSFORMATION & IMPROVEMENT

Total Cost Avoidance	3,300,000
-----------------------------	------------------

The one off project costs to deliver the cost avoidance described above are shown in the table below.

One off costs	FY 1 £	FY 2 £
Project management	-48,800	-48,800
External professional advice	-43,000	-21,500
I.T movement costs	-40,000	
Total	-131,800	-70,300

3. COMMERCIAL CASE

3.1 Key Risks

Both Organisations objectives and outcomes link very clearly through the Wirral Plan and Healthy Wirral, however reporting mechanisms, statutory reporting requirements, duties and funding streams are currently separate for Councils and CCGs. At this stage the integrated commissioning hub would need to cover all requirements and look across a number of planning footprints Council. Investment has been made by the Council and partner organisations to commission a demand modelling exercise to 2021, which will inform on potential changes to demand arising from the redesign of the Accountable Care System.

4. FINANCIAL CASE

4.1. Investment

The investment of £202k one off costs includes:

- Part costs of dedicated project management support
- Business analyst support to be identified
- Total estimated project costs come to £132k in FY1 and £70k in FY2.

4.2. Additional Resources

Officer time from both agencies assigned to manage and progress the key activities and milestones within the supporting work streams.

5. MANAGEMENT CASE

Refresh and further work to remodel demand which will include a review of assumptions made at the time of the Care Act. Greater knowledge of demand will influence full business case. Costings are listed within the main project costs section above.

High Level Methodology for Change:

TRANSFORMATION & IMPROVEMENT

- Ensure commitment to develop a Wirral wide transformation plan for health and social care (NB Local Development Plan)
- Organisational strategies aligned (Wirral Plan, Healthy Wirral and LDP)
- Clarity of shared themes, interdependencies and potential gaps
- Business case and options appraisal to develop model further
- Creation of a Joint Strategic Transformational Plan

5.1. Timescales

Commissioning priorities agreed and included in LDP	May 2016
BCF Signed off and agreed	May 2016
Cabinet decision to integrate health and care commissioning	Sept 2016
New Operating Model	April 2017
Pooled Budgets under Section 75 Legal Agreement covering Better Care Fund, Older People, All Age Disability and Mental Health	April 2017

A full project plan will be developed with key deliverables including tasks and milestones.

5.2. Key Decisions

The proposed model would need to be agreed both through the Council and the CCG Board Key decisions expected in September 2016.

5.3 Key Communications of Consultation (Internal and External) Requirements

A joint communications plan will be produced. It will be used for both staff and public engagements and key communications including press releases. It will be similar to the stakeholder analysis and communication plan produced for other integrated project presently taking place.

5.3. Staffing Issues

There will directly affected circa 60 employees from Wirral Council. The proposed structure will be inserted in line once the new Council Operating Model is released.

6. KEY RISKS AND POTENTIAL MITIGATION

- Any formal commitment would be pending the outcome of the due diligence exercise and then approval to proceed from CCG Governing Body.
- The risk of not proceeding is covered in Option 1 above.
- The risk of not proceeding would also mean that we would not be meeting the national mandate for full integration by 2020.

TRANSFORMATION & IMPROVEMENT

- There is a risk of overspending on the integrated budget through the commissioning of service to the provider which is covered in Option 2.
- A full risk register will be available as part of the project planning but based on other integrated projects the following are likely to be included:
 - Conflicting commission priorities
 - Delivering within budget
 - Failure of CCG to agree to the pool budget agreement
 - Key set of performance
 - Dual governance/relationship