

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

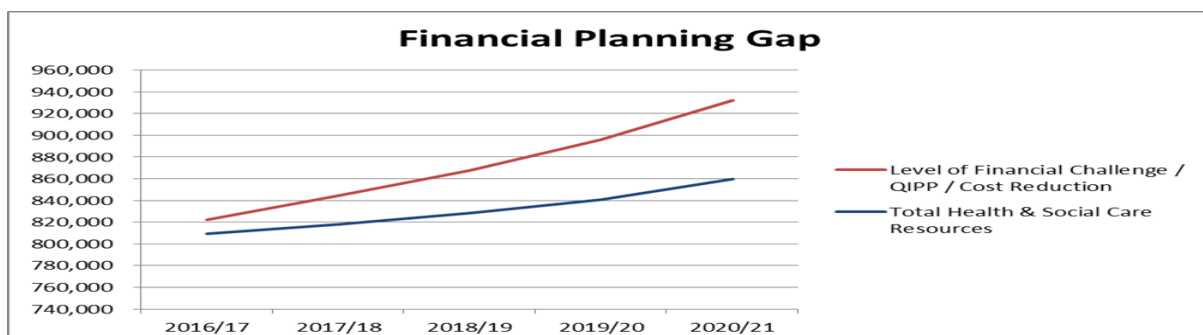
TRANSFORMATION & IMPROVEMENT

- 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**

TRANSFORMATION & IMPROVEMENT

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.

TRANSFORMATION & IMPROVEMENT

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