FULL BUSINESS CASE

The purpose of the Full Business Case (FBC) is to revisit and refine the Outline Business Case (OBC) analysis and assumptions, as well as presenting the findings of any formal procurement or partner selection process. Any contractual or legal arrangements must be documented as well as the detailed management arrangements for a successful delivery.

1. **Strategic** — **Any new implications for the strategic case**
2. **Economic** — **The preferred option providers and value for money**
3. **Commercial** — **Findings of procurement processes/supplier engagement**
4. **Financial** — **Analysis of financial implications**
5. **Management assets** — **The comprehensive delivery plan including people, process, information, systems and**

Programme/Project Name:	Integrated Commissioning Hub
Programme/Project Sponsor:	Graham Hodkinson
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08	8th Draft	SR	23.10.17
09	Comments from Finance (MG)	SR	27.10.17
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Contents

SECTION 1 - STRATEGIC

Executive Summary

The Full Business Case (FBC) seeks approval to pool £109m from the Council's Adult Social Care, Public Health & Children's Services commissioning budgets jointly with the Clinical Commissioning Group (CCG) will enable the creation of a full pooled budget value of circa £526m (commissioning budget only) to deliver of improved outcomes for the population of Wirral.

Closer integration of health and social care has been the 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 health and social care sector response to the significant system wide pressures in Wirral by creating an 'Integrated commissioner', which in turn would commission primarily from a newly formed "Place Based Care System" of providers. The changes will contribute to meeting the following strategic outcomes:

Wirral Plan Pledge 1: Older People Live Well – "we can do more, and achieve a bigger impact, if we integrate those services and share those budgets. We need to create a responsive health and care service for those that need them, focussed on delivering the right care, in the right place, at the right time. In order to achieve this we will integrate and reshape services and pool resources."

Bringing together commissioning resources will help us to achieve better outcomes for the people of Wirral. We can develop more timely joined up services using resources from right across the health and care.

Wirral Plan Pledge 6: People with disabilities live independently – "We want people with disabilities in Wirral to be less dependent on services and to choose to live more independent lives".

The Integration of Commissioning resources and the pooling of funds with the NHS will 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;

- 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 an control over their lives

Wirral Plan Pledge 16: Wirral residents live healthier lives- "we will further progress our programmes of integration with the NHS, and work particularly closely with our health partners bringing health services closer to communities unlocking expertise to work around the person, and to change the culture of health and care services to focus on prevention, early intervention and self-help."

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 more joined up approach to early intervention and prevention.

The future model of commissioning will aim to achieve the desired benefits to improve the current provision, effectively managing demand for services, and enabling longer-term financial planning for sustainability.

The FBC seeks to ensure that commissioning health and social care resources will be utilised to its maximum effect, facilitating a single integrated framework for commissioning and for provision. This will enable the health and care system to operate as a cohesive single system rather than as a fragmented set of organisations.
Recommendations

The FBC seeks agreement on the following recommendations:

1. Proceed to Pool £109m of commissioning budget from Adults, Children and Public Health Commissioning alongside the CCG's commissioning budgets - (Supported by Financial Due Diligence, risks that have been identified will be mitigated against)

2. Proceed with joint planning for the integration of Adults commissioning, Children and Public Health Commission activity with the CCG.

3. Develop a Section 75 Risk\Gain share with the CCG to support the best interests of both organisations.

4. Develop ICH Governance and Reporting arrangements.

5. Develop a Target Operating Model that outlines the structures of the joint commissioning and the committee that will lead on commissioning decisions for both organisations.

6. Approve the internal transformation costs for the Council estimated at £112,000.

Introduction

An Outline Business Case (OBC) to integrate the Council's Adults, Children's & Public Health Commissioning functions with NHS Wirral Clinical Commissioning Group (WCCG) was approved in July 2016, and this FBC provides further detail of the preferred model.

The design and the features of the service recommended to be implemented in April 2018 will be jointly developed by experts and professionals involved in commissioning and providing care from both respective organisations.

The proposal is to establish an Integrated Commissioning Hub to work on behalf of Wirral Council and Wirral CCG. This project will enable both organisations to develop a sustainable health & social care economy, bringing together commissioning resources that will help to achieve better outcomes for Wirral residents by developing more joined-up services and un-locking resources across the economy.

This will lead to shaping of an integrated Placed Based Care System (PBCS) of providers working with a single set of resources by 2020.

What will be the direct benefits to residents who access the new service from April 2018?

- Joint commissioning will provide greater scope to increase the role of technology in creating greater independence for people in their own homes.

- Bringing together commissioning resources will help us to achieve better outcomes for the Wirral population, with a more timely joined up service unlocking resources from across the health and care economy.

- An integrated approach will contribute to meeting the costs of care and demand management in both organisations.

- Creating the ICH with the CCG will be a sustainable first step towards promoting a 'Placed Based Care System' of integrated provision.

- Joint strategic decision making can be further enhanced by formally bringing together commissioning resources and capacity across the economy.

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

The Vision

Strategic Intention: To create a single integrated commissioning model for Wirral, bringing together health, social care and prevention commissioning budgets within a shared governance arrangement.

Desired Impact: Better health, care financial outcomes through the commissioning of effective, evidence based services.

Key Dependencies:

- Ability to build on existing Section75 agreement and have a single pooled budget;
- Ensure formal requirements for the accountability, governance and reporting are supported by the model;
- Developing a delegated decision-making body to provide oversight and accountability to the constituent partners;
- Delivery of financial duties.

Strategic Context:
The work will underpin the delivery of the following strategic plans

- Healthy Wirral Plan.
- Wirral 2020 Plan.
- Cheshire & Merseyside Five Year Forward View Delivery Plan

Wirral's vision is that everyone in the Borough, regardless of their age or personal challenges, can live a life that is as healthy, active and independent as possible. The evolution of the new Integrated Commissioning Hub will achieve better results for local people.

Council Pledges

The Integrated Commissioning Hub Service will support the following Council Pledges:

- Older People Live Well
- Young people are ready for work and adulthood
- Vulnerable children reach their full potential
- Reduce Child and Family Poverty
- People with disabilities live independently
- Wirral Residents live healthier lives
- Community Services are joined up and accessible

Key Drivers for Transformation

Our Aims
Work with CCG colleagues to ensure resources available are invested in provision which delivers high quality services that are value for money and achieve the outcomes that matter to the population of Wirral.

The Challenge
Wirral has an ageing population and we therefore expect a rise in demand for services that help provide care and support for vulnerable older people, and enable more people to stay independent for longer. Over the next ten years, the numbers of people aged 65 and over is forecast to grow by 21% and that aged 85 years and above is forecast to grow by 40%.

The current system is unsustainable as budgets are constrained and demand grows. People need to be supported and encouraged to manage their health and live as independently as they can. We therefore, need to rethink how we respond to the growing call for care and support.

- Building relationships is a key component.
- Partnership working, adopting a collaborative style and putting co-production at the heart of our approach.
- Leadership - developing and creating a great culture. Culture is the collective values of our people, not just what we do but the way that we do it.
- Innovation to create new possibilities to get new ways of working – we need resources to shift and proactive approaches not crisis management.
- We need to enter and join the digital age.

Core Project Deliverables

Robust programme and project governance is in place to ensure appropriate leadership for decision making and recommendations. The Core Project Deliverables are:

- To identify staff and budgets in scope that will transform into a single service and a joint financial and accountability structure.
- To develop an integrated staffing structure for the Integrated Commissioning Hub.
- To work with the Lead Commissioners from Adult's, Children's, Public Health and CCG services to align the financial and quality benefits to be achieved through the successful delivery of this project.
- To research similar programmes carried out by other areas and identify learning from their experience.
- To implement robust project infrastructure and governance, including core project documentation.
- To lead on the planning, implementation, and development of the project and supporting work streams.
- To identify and map the current spend (commissioning budgets) and services for all cohorts of residents within scope for this project.

Place Based Care System (PBCS)

The commissioner will focus on strategic outcomes for the population. As the system leader the commissioner will work with NHS providers to develop a Place Based Care System approach that will deliver these outcomes on behalf of the commissioner.

The PBCS will be responsible for developing care pathways and innovative approaches towards the delivery of care within a population health model designed by the commissioner. It is likely that the model will develop over the next two years with full implementation by 2019

Key Health Partners

The Council and CCG will work in collaboration with other health providers, residents, third sector and other community assets. The system-wide ambition is coupled with a clear focus on local people and place based services.

- Clinical Commissioning Group (CCG)
- GP Federation (GPs)
- Wirral Community NHS Foundation Trust (WCFT)
- Wirral University Teaching Hospital NHS Foundation Trust (WUTH)
- Cheshire & Wirral Partnership Trust (CWP)
- Other Health Providers/Trust(s) - based across Merseyside, Cheshire, Liverpool City Region, Northwest
- NHS England

Strategic Outcomes

The Integrated Commissioning Hub will deliver the following strategic outcomes:

- Align incentives across the system
- Increased likelihood of value for money with the Wirral £
- Increase effective use of Commissioner time, effort and spend
- Single planning processes, financial plan and shared responsibilities
- Define expected positive impact and improvement in the health and wellbeing of the population

Scope of Service

By far the largest majority of Health and Social Care services for the Wirral population are purchased by two statutory Commissioners:

Wirral Council

Wirral Council ("the Council") has a statutory responsibility to provide and commission Adult and Children's Social Care services, and Public Health services, on behalf of the local population. Social Care services are predominantly provided through the commissioning of 'packages of care' (funding for support services which are tailored to meet the specific needs and requirements for individual service users). These services often support older adults (who may be frail and/or suffering from dementia), people with mental health issues and people with learning disabilities, through residential care, domiciliary care and day services. Additionally, children's services include targeted and early support services for vulnerable young people.

Public health services focus on the entire population, aiming to increase the overall health of the population and dampening down future demand for NHS and social care services through interventions such as reducing the incidence of disease arising from obesity, alcohol usage and smoking.

Wirral Council has allocated a net budget of £77.8m to social services (£75.8m funding plus £2.0m additional contingency funding) and an allocated amount of £29.9 million to public health in 2017/18 as a grant from the Department of Health.

NHS Wirral CCG

Wirral CCG ("the CCG") is responsible for the commissioning of all adult and children's NHS funded healthcare services across the Wirral (apart from those services defined as specialised which are commissioned by NHS England). That includes acute, community, mental health, prescribing and continuing healthcare services for the Wirral population. These services are commissioned from a range of healthcare providers across the Wirral and outside of the locality, including Wirral University Teaching Hospital (WUTH), Wirral Community NHS Foundation Trust (WCT) and Cheshire and Wirral Partnership NHS Foundation Trust (CWP). Demand for these services is primarily driven through elective and non-elective patient demand and choice.

The CCG has a budget allocation of £509.3m for the commissioning of healthcare services in 2017/18.

Jointly Commissioned Services

Through the Better Care Fund (BCF) Wirral Council and the CCG successfully jointly commission a range of health and care services for the Wirral population. This is achieved through the pooling of a proportion of each organisation's budget. The BCF has been used to fund a wide range of services including Transfer to assess bed capacity, community officers and additional community dementia services.

The BCF has a total budget of £47.9m for 2017/18, with £22.5m being contributed by Wirral Council, including the improved Better Care Fund (iBCF) and £25.5m being contributed by the CCG.

Primary Care Commissioning

Currently Primary Care services are commissioned by NHS England. The CCG is responsible for commissioning enhanced primary care services to the total of £2.1m in 2017/18 and at this stage this funding stream is out of Scope.

Ambitions for the Integrated Commissioning Hub

Both the Council and the CCG would now like to extend the current pooled budget arrangements to incorporate the majority of the total health and social care funding within Wirral. The services that fall under the scope of these new pooled arrangements will be formally commissioned by the Integrated Commissioning Hub (ICH).

The Wirral Plan, and the Healthy Wirral programme, provides the strategic framework through which the Commissioners anticipate managing rising demand, greater focus on population and increased expectations against a backdrop of constrained funding. Achieving the aims of these programmes requires a better understanding of the needs of the population, an improvement in the effectiveness of the services commissioned within the Wirral, and even better value for money. The joint commissioning of health and social care services, through a formal pooled budget arrangement, is expected to be an important step towards achieving this ambition.

The implementation of an Integrated Commissioning Hub is anticipated to result in:

- A single, joint commissioning approach using all resources for areas such as older people, public health, Children's , mental health and advocacy, for people with complex needs, and for carers;
- The commissioning of services on a placed based approach with an emphasis on prevention and promotion of healthy living;
- A single provider framework and commissioning gateway in order to ensure clarity for providers, and provide a single cohesive approach that offers assurance and value for money;
- Developing and shaping the care supply market through a single market management strategy, with Commissioners working together to shape the market and take joint responsibility for quality, in order to reduce the likelihood of market failure;
- Meeting the cost of care and demand management pressures in the system through an integrated commissioning approach;
- Reduced duplication of effort and service provision;
- Facilitation of the integrated operating model for services across the Wirral (through the implementation of a new model of care), for all age disability services, mental health and community care teams.

Strategic Risks

Key Risks and Mitigations for both Council and CCG

Potential Risk	Which organisation presents this risk?	Potential impact	Potential mitigations	Where risk should sit in the ICH
Budget setting risk				
• The Council may be unable meet its efficiency requirement of £3.4m in 2017/18 (4.4% of total budget), resulting in an in-year deficit • Despite delivering savings of over 5% of net budget funding annually since 2014/15, social care services have not met their annual saving target since 2014/15, with this target being missed by as much as £7.5m. 'One-off' savings of £2.6m and £1.9 have been required to support savings in 2015/16 and 2016/17	Council	> The ICH would begin with a financial deficit, with funding insufficient to meet the required expenditure, prior to any additional budget pressures being experienced from 2018/19 onwards > Additional contingency/deficit funding would be required to be repaid in 2018/19 > Savings plans are still under discussion with community trust to identify and deliver further savings	> Prior year deficits to be kept out of the pooled funding arrangements > Deficit repayments to be made solely by the original organisation > Effective, joint saving plan required and implemented to reduce demand and take cost out of the system > Risk share arrangements to incentivise joint working > Open book accounting > "One-off" actions to be reviewed if required > Single population health budget implemented over the longer term	Council
• The CCG may be unable meet its efficiency requirement of £12.3m in 2017/18, resulting in an in-year deficit (2.4% of total budget), resulting in an in-year deficit. This could result in the CCG being placed in the Capped Expenditure Process in 2018/19 • The CCG did not meet its QIPP requirement in 2016/17, missing its £8.8m target by £5.0m	CCG	> The ICH would begin with a financial deficit, with funding insufficient to meet the required expenditure, prior to any additional budget pressures being experienced from 2018/19 onwards > Additional contingency/deficit funding would be required to be repaid in 2018/19 > CCG could be entered into the Capped Expenditure Process and/or Turnaround	> Prior year deficits to be kept out of the pooled funding arrangements > Deficit repayments to be made solely by the original organisation > Effective, joint saving plan required and implemented to reduce demand and take cost out of the system > Robust contractal arrangements with providers regarding QIPP > Risk share arrangements with providers > Risk share to incentivise joint working > Open book accounting introduced > Single population health budget implemented over the longer term	CCG

Potential Risk	Which organisation presents this risk?	Potential impact	Potential mitigations	Where risk should sit in the ICH
Forecasted spend risk				
• Brought forward pressures from 16/17 could in fact be recurrent and could place ongoing pressure on the budget • Social care services are forecasting a break-even budget position this year, despite social care services overspending its budget each year since 2014 (a £2.5m deficit in 14/15 rising £3.9m in 16/17) • For the last three years the Council have overspent on its expenditure budget, with these overspends varying between £1.6 and £4.2m	Council CCG	> Based on previous trends a breakeven position for ASC would be difficult to achieve in 17/18. This could result in underfunded services being pooled in the ICH > Additional contingency/deficit funding would be required to be refunded in 2018/19 > Risk of cumulative deficits and cost pressures becoming unmanageable if pressures in-year are not mitigated. > However, significant government intervention has changed the dynamics of funding to begin to offset these pressures	> Prudent assumptions regarding performance in 17/18 made > Prior year deficits to be kept out of the pooled funding arrangements > Deficit repayments to be made solely by the original organisation > Effective, joint planning required and implemented to reduce demand and take cost out of the system > Re-baselining of service provision and cost in 2018/19 in risk share arrangements > Open book accounting	Council (for non-recurring soclail care elements) Shared for recurring elements
• Funding pressures in 2018/19 include the repayment of deficits and contingency drawdowns used to fund prior year budget deficits • CCG allocation will be top-sliced in future years in order to repay deficits incurred in the years prior to 2017/18. This is likely to result in the CCG's budget being top-sliced by £9.8m in 2018/19	Council CCG	> ICH budget would contain pressures unrelated to service delivery in 2018/19, which are unmanageable by the ICH > CCG funding allocation is top-sliced by NHS England to repay prior-year debt drawdowns	> These pressures and repayment obligations are not pooled and remain with their original organisations > Organisation must pay its debt obligations back through a surplus made through the funding pool as part of a risk share arrangement > Council to be party to any negotiations with NHSE regarding deficit repayments > Open book accounting	Council CCG

SECTION 2- ECONOMIC

Options

It is possible that not proceeding with this Integration Commissioning project would lead to a continuation of informal integration and some co-location of staff. This, however, would not achieve the true benefits of having a fully integrated commissioning service and the financial deficit would increase further. Proceeding at this stage would enable the Council and CCG to create a joint governance arrangement, pool resources as appropriate, initially in a shadow arrangement from April 2018 with a view that efficiencies will be gained on the future staffing model.

Reaching the Preferred Option

The Council and CCG has taken over 16 months, organising a range of workshops/project meetings and on-going dialogue, along with initiating an independent financial due diligence report from October 16 to September 2017 to carefully consider a range of options that are financially viable for the commissioning service. The Outline Business Case (OBC) presented a short list of three options and was scrutinised in June 2016 at a Scrutiny workshop attended by members of both the Adult Care and Health Overview & Scrutiny Committee and the Children and Families Overview and Scrutiny Committee. The Full Business Case presents in November 2017 the preferred approach to be considered for approval, after completing independent financial due diligence and carefully considering options most suitable for the services within scope.

To create an integrated commissioning service of health and social care services, it was agreed that the Council would partner with Wirral Clinical Commissioning Group (WCCG). The Council explored delivering differently through assessing the options of a commercial approach working with Third Sector, Private Sector and Public Sector Health Providers however this wouldn't have been a viable option due to Commissioning responsibilities being core to the Council and CCG and these wouldn't ordinarily be outsourced. It was agreed that the most viable option for the Council was to partner with the CCG that would unlock resources and capacity from across the health and care service thus being able to manage the market and ensure quality of provision.

The preferred option was to establish an Integrated Commissioning Hub with the CCG.

Key Project Phases for approval and to implement the transformational change

Dates	Action
09th October	Transformation Portfolio Board
2nd November	Committee Services
7th November	SLT Cabinet Briefing paper
13th November	Cabinet Briefing
27th November	Cabinet

For a more detailed high level rollout plan see **(Appendix 1)** a more detailed project plan will be developed once approval has been granted.

Critical Success Factors (CSF)
The following critical success factors (CSF's) were utilised by the Project Board when evaluating the most suitable approach.

- Business need
- Strategic fit
- Cultural fit
- Supports Council Pledges
- Supply-side capacity and capability
- Affordability
- Value For Money
- Achievability within the agreed timescale
- Political opinion
- Ability to adapt to emerging/future policy, legislation, demand and financial constraints.

Preferred Model
Establish an Integrated Commissioning Hub working on behalf of Wirral Council and Wirral Clinical Commissioning Group.

Overview of the structure of Target Operating Model:

- Clear view of services to be included in the new care model;
- Mapping existing contracts against the contracting arrangements that will be needed to commission to the new care model where commissioners want to award a new contract;
- Alignment of procurement strategies for any contracts to be awarded;
- A single provider framework and commissioning gateway that offers assurance and value for money;
- Formally joining health and social care staff together creates maximum potential for a better experience of health and care commissioning services;
- Reduction in duplication of effort and service provision;
- Integration is necessary to join up health and care statutory functions and to provide people with a coherent system that can respond proportionately and flexibly to their needs;
- The Model will deliver agreed outcomes for residents, and the Council these will be set out in a joint commissioning for outcomes strategy;
- Facilitation of the integrated operating model for services across Wirral (through the implementation of the a new model of care)

Wirral Integrated Commissioning Hub Organisational Overview
Vision: "Leading in partnership to improve health and well-being by providing high quality care"

Strategic Objectives:

- Align incentives across the system
- Increased likelihood of value for money of the Wirral £
- Increased effective use of Commissioner time, effort and spend
- Single planning processes, financial plan and shared responsibilities
- Define expected positive impact and improvement in the health and wellbeing of the population

Advantages of Preferred Model
Advantages of the New Operating Model to be implemented April 2018:

- Ability to respond to local priorities
- Unlock resources and capacity across the system
- Ability to share resources to manage the market
- Ensure quaility of provision

- Provides collective leadersip which drives culture change and accepts responsibilty for achieving the vision and ensures commissioning for better outcomes
- Local revenue-raising powers and greater flexibilities and feedom to deploy resources according to local need for people with a disability and mental health issue
- Investment in building the capacity and compitance of the workforce to provide streamlined commissioning
- A clear shared vision based on the needs of the community, backed by clear system governance
- The joint model will provide differing perspectives, insights, environment to stimulating innovation
- Creates one service/culture for health and social care commissioning - driving mutually beneficial outcomes

SECTION 3 – COMMERCIAL

Commercialism

The current climate, in particular the national economic situation, has created challenges for Wirral commissioning both for the Council & health services. In Wirral, we must improve outcomes and change the system to be sustainable and close the future funding gap on commissioning services. The Council has a moral imperative and statutory responsibility to make sure that Wirral residents, their families and carers, are supported, empowered and enabled to live their lives to the full.

Why should we integrate Health and Social Care Commissioning services?

Integration has the potential to increase value for money to enable public funds to meet increases in demand across health and social care. It is anticipated there will be opportunities through new contracting arrangements to offer further value for money and economies of scale through both organisations combining resources to ensure outcomes are achieved and value for money is being delivered. Bringing together commissioning functions has been a constant and dominant policy theme for many decades, and many places around the country are already demonstrating the potential to do things differently and effectively lead the health and care system through focusing on delivering improved outcomes for the population.

Wirral is an area comprising of over 321,000 people, within a relatively small area of 60 square miles. Despite its small area, the health and wellbeing of people within the Wirral is extremely varied, both across the peninsula itself, and when compared to the England average[1].

Wirral is one of the 20% most deprived districts within England, with significant problems relating to alcohol usage in both adults and children. Life expectancy is 11.7 years lower for men and 9.7 years lower for women in the most deprived areas of Wirral than in the least deprived areas, with average life expectancy for both sexes lower than the England average. The numbers of obese children, and the percentage of physically in active adults across the Wirral, are both significantly higher than the England average. These issues present a difficult challenge for public health, Commissioners and providers of health and care services across the region.
Consequently, health and social care services across the Wirral are, in line with the rest of England, experiencing a period of sustained financial pressure. Demand for health and care services are increasing, at the same time that the funding for health and care services remains flat (or is decreasing in real terms).

Drivers of increasing demand for services include:

Demographic growth: The overall Wirral population is forecast to increase by approximately 3,000 residents between 2015 and 2020, many of whom will require the support of health and care services.

Ageing population: An older population is associated with increased health demands and needs, and a greater prevalence of illnesses such as cancer.

[1] Public Health England: Wirral Health Profile 2017.

Increasing complexity of health and care need: A growing and ageing population results in more residents having multiple medical co-morbidities and care needs, often resulting in the provision of long term support and/or treatment for patients and service users.

This increasing demand, at a time of resource constraint (across health and social care), is creating financial challenges and pressures for the Commissioners of health and care services across the Health Economy.

Local Authorities integrating with Health commissioners
The scale, scope and model of health and social care integration can vary enormously, but all are explicitly intended to deepen and widen integration, to move beyond the benefits that can be delivered by partnership working. Although commissioning can be integrated without formally transferring staff, the advantage of this approach is that a single commissioning organisation will have one funding envelope, a single set of goals and a shared vision for Wirral's economy prior to the formal development of the PBCS. There should also be economies of scale derived through shared outcomes and integrated commissioning along with the developments of refining how contractual arrangements and negotiation with providers.

Integration is a central part of a wider government agenda to improve the quality and efficiency of care provision by encouraging health and social care providers to work together. Through the Five Year Forward View, GP Forward View and STP NHS England and partners have articulated the need for local health and care economies to work more closely together.

Integration Commissioning example – Tameside and Glossop
Tameside and Glossop have implemented a comprehensive single health and social care commissioning system. This has involved the creation of a single decision-making structure with the introduction of a Single Commissioning Board, the appointment of a single accountable Officer, a single leadership team and a pooled budget which amounts to £c.477m in 2017/18.

The single commissioning function is part of a wider project to integrate health and care services at a large scale across the Tameside and Glossop economy. The Care Together Programme is managed by a Board which includes Tameside and Glossop CCG (Chair and Accountable Officer), Tameside and Glossop Integrated Care NHS Foundation Trust (Chief Executive and Chair). It is planned to agree a single contract with the Foundation trust as a designated Integrated Care Organisation (ICO).

In Tameside, commissioning staff from across the two organisations have co-located, and come together as a single team and have been participating in a programme of organisational development to establish their shared vision and create a shared culture.

Integration commissioning example - North East Lincolnshire
Health and adult social care have been jointly commissioned in North East Lincolnshire since 2007. Until 2013 this was the responsibility of North East Lincolnshire Care Trust Plus. However, following the implementation of the Health and Social Care Act 2012, this was replaced by North East Lincolnshire CCG.
North East Lincolnshire CCG now acts as integrated commissioner with responsibility for commissioning health and adult social care services. This arrangement is based on a section 75 agreement with North East Lincolnshire Council that sets out the delegation of commissioning responsibility for adult social care to the CCG, as well as arrangements for a pooled budget. These arrangements are reflected in the CCG's governance structure: although the CCG's governing body is responsible for final strategic decisions, the CCG has a partnership board (a sub-committee of the governing body), made up of members of the CCG and the council, that meets every two months to discuss the CCG's strategic direction.

Integrated Commissioning example - Manchester
In November 2014 the leaders of the Greater Manchester Combined Authority (GMCA) signed an agreement allowing for the devolution of new powers and responsibilities to Greater Manchester and the establishment of a directly elected city-wide mayor. As well as transferring powers over transport, housing, planning and policing,

the devolution agreement invited the GMCA and local CCGs to develop a business case for the integration of health and social care.

Building on this, in February 2015 the Association of Greater Manchester Authorities (representing the 10 local authorities in Greater Manchester), the 12 Greater Manchester CCGs and NHS England signed a memorandum of understanding agreeing to bring together the relevant health and social care budgets of each, worth approximately £6 billion in 2015/16, and to work towards the ultimate devolution of all health and care responsibilities to accountable, statutory organisations in Greater Manchester.

There will be no immediate change in legal responsibilities, but by April 2016 the joint commissioning board will become a formal board operating under section 75 agreements. At a local level, this commits local authorities and CCGs to agree a local memorandum of understanding that supports collaborative working, and to build on the Better Care Fund to develop a local plan for the integration of health and social care, to be implemented from April 2016. It is envisaged that once full devolution is achieved (2016/17), health and wellbeing boards will agree strategic priorities for the delivery of integrated health and social care, with the GMSH and SCPB working to ensure consistency across local areas and pooled funds being used where relevant. Although many of the details are still to be developed, the overarching memorandum of understanding suggests that a range of other functions will be delegated to Greater Manchester.

The memorandum of understanding is clear that Greater Manchester NHS will remain within the NHS and be subject to the NHS constitution. It also suggests that the changes described will be achieved entirely through changes to working arrangements, with the statutory functions, accountabilities and financial flows of local authorities and CCGs remaining as they are. However, the details regarding accountability and risk-sharing have still not been finalised, and it is not entirely clear how the new Greater Manchester Strategic Health and Social Care Partnership Board will work with CCGs and local authorities in future. Nonetheless, as far as they have been described, the proposed arrangements, and in particular the plan for NHS England to delegate its relevant commissioning budget, represent the most significant and far-reaching attempt at integrated commissioning in England to date.

SECTION 4 – Legal & FINANCIAL

Legal and Finance Approach

The statutory duty of partnership on local authorities and NHS bodies was established under the Health Act 1999 and later the Health and Social Care (Community Health and Standards) Act 2003. The NHS Act 2006 consolidated this legislation, further enabling the Health Act Flexibilities set out in the 1999 Act. Local authorities and NHS organisations can now more easily delegate functions to one another to meet partnership objectives and create joint funding arrangements.

The NHS Act 2006 makes provision for the functions (statutory powers or duties) of one partner to be delivered by another partner, subject to agreed terms of delegation. Responsibility for undertaking certain functions, activities or decisions can be transferred from one partner to another to achieve the partnership objectives. Although the functions are delegated, partners remain responsible and accountable for ensuring they meet their own duties under the legislation and cannot pass on responsibility for services outside the agreed activity. The Audit Commission have reminded authorities that governance, financial management and risk arrangements should be clearly defined and set out in a partnership agreement, including the extent of delegation by means of a ‘section 75’ financial framework agreement.

Both the Council and the CCG would like to extend the current pooled budget arrangements to incorporate the majority of the total health and social care funding for adults within the region. The services that fall under the scope of these new pooled arrangements will be formally commissioned by the Integrated Commissioning Hub (ICH).

The Wirral Plan, and the Healthy Wirral programme, provides the strategic frameworks through which the Commissioners anticipate managing rising demand, greater focus on public health and increased expectations against a backdrop of decreasing real terms funding. Achieving the aims of these programmes requires a better understanding of the needs of the population, an improvement in the effectiveness of the services commissioned and even better value for money. The joint commissioning of health and social care services, through a formal 'Section 75' pooled budget arrangement, is expected to be an important step towards achieving this ambition.

The implementation of an Integrated Commissioning Hub is anticipated to result in:

- 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 in order to ensure clarity for providers, and provide a single cohesive approach that offers **assurance and value for money**;
- Developing and shaping the care supply market through a **single market management strategy**, with Commissioners working together to shape the market and take joint responsibility for quality, in order to reduce the likelihood of market failure;
- **Meeting the cost of care and demand management pressures** in the system through an integrated commissioning approach;
- **Reduced duplication** of effort and service provision;
- Facilitation of the **integrated operating model** for services across the Wirral (through the implementation of a new model of care), for all age disability services, mental health and community care teams.

Contract Value

In order to deliver these ambitions, the sum of funding in Pot A in the table below is anticipated to be included within the pooled budget arrangement of the Integrated Commissioning Hub (note: the net budget position of Wirral Council, i.e. after the receipt of income, is presented below) NB: The Public Health position is not net of the grant, i.e. it is not funded by the Council:

Organisation	Pot A (£m)	Pot B (£m)	Pot C (£m)	Pot D (£m)	Total (£m)
Wirral Council	73.9	-	-	5.2	79.1
Wirral CCG	420.2	73.2	0.2	15.7	509.3
Public Health	25.6	-	-	4.3	29.9
Total	**519.7**	**73.2**	**0.2**	**25.2**	**618.3**

The pot arrangements outlined above can be described as follows:

- **Pot A:** Services which are anticipated to be pooled under a Section 75 arrangement in the ICH (including those services already pooled within Section 75 arrangements)
- **Pot B:** Services not anticipated to be pooled for formal joint provision
- **Pot C:** Funding which cannot legally be pooled for formal joint provision without a change in existing legislation, as they are currently jointly commissioned with NHS England
- **Pot D:** Services which will not be pooled and will remain entirely in control of the original parent organisation. In the main these refer to safeguarding service costs.

Over time, services which are currently out of scope for the ICH may be included within the pooled funding arrangements (e.g. Children's services). The risks of adding these services to the ICH's funding arrangement will

need to be assessed at the point at which these services are considering being moved into the pooled funding arrangements.

Partnership arrangements and pooled budgets play an important role in underpinning a more joined-up approach to integrated commissioning. The legal flexibility allows a strategic and arguably more efficient approach to commissioning and delivering local services across organisations.

Agreement and implementing organisational change is a complex, labour intensive task often involving initial tensions of organisational cultures whilst roles and responsibilities are redefined. However, evidence of efficiencies gained by forming single organisational structures gives incentives to embark upon the route of pooling budgets and forming joint structures.

The aims and benefits to Wirral Council and CCG:

- Bringing together commissioning resources will help us to achieve better outcomes for Wirral's population that will develop more timely joined up services un-locking resources from right across the care economy.
- An integrated approach will contribute to meeting costs and demand management pressures.
- It is expected that the creation of a fully integrated commissioning hub with the CCG will be a substantial step towards creating an 'Placed Based Care System' across Wirral health and care economy.
- The pooling of resources will enable the commissioners to maximise the impact of health provision and to ensure that all providers are focused on enabling people to be as independent as possible.
- 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.
- It is envisaged that changes will be made impacting upon the areas of joint commissioning, quality assurance and commissioning support arrangements.

Financial Expertise

The Integrated Commissioning Hub Transformation Project has been supported and advised by financial experts within the Council, CCG & Price Waterhouse Coopers (PWC).

Transformation Costs (Indicative)

Transformation Cost	Role	Unit Cost	Grade	Weeks	Total Cost
PWC Financial Due Diligence	PWC Management	n\a	n\a	8 weeks	£40,000
Project Costs	Director Of Service	£			
Full Business Case Dev	Project Manager	£40.95	n\a	6 weeks	£8,845.00
Project Costs	Project Manager	£40.95	n\a	30 weeks	£44,226.00
Project Costs	Legal	£	EP06	6 weeks	£5,568.96
Project Costs	HR\OD	£	EP021	6 weeks	£7,093.38
Project Costs	Finance	£	EPO15	6 weeks	£6,484.80
					£112,218.14

Officer time from both organisations will be given to manage and progress the key activities and milestones within the supporting work streams. It is expected that each organisation will bear its own costs in this regard.

Pension Liability
At this stage there is no intention that the Council Commissioning staff will transfer and will remain within the Local Government Pension Scheme, however it is noted that most of Public Health staff are in the NHS Pension scheme.

Support Costs
There are likely to be additional support service costs as a result of integrating with the CCG. This could include additional costs in such areas as legal, IT, estates, OD and training, procurement etc. Further work is required in order to calculate what the value of these additional costs are likely to be and, following that, work is being completed with the Council's Assistant Director of Commissioning in working up a managed service provision that the CCG currently have outsourced.

Financial Savings
The Council have indicated that early progress on efficiency savings performance has been good, with £2.2m of savings identified and expected to be delivered in year, through efficiencies of partnership working with the CCG and a rebalancing of the funding of packages of care. However, further savings of £1.9m are yet to be identified and the Council is still reporting that it will achieve these savings this year, as discussions are still ongoing with the Community Trust in order to identify and deliver further savings. We believe further savings are going to be more difficult to achieve and there is therefore a risk that social care services may report a deficit in 2017-18.

VAT Liability
The pooling of budgets, implementation of a single commissioning function through the ICH and the ultimate move into a 'Placed Based Care' is likely to have VAT implications for the Commissioners. Positive steps will therefore need to be taken to ensure that additional VAT costs are not incurred when compared to the existing arrangements across the system.

The VAT liability of the services commissioned by the Commissioners depends on the nature of the services, which depends, in turn, on how the services are defined in the respective agreements.

In broad terms, supplies of health care are exempt for VAT purposes and as such, do not attract a VAT charge. The treatment of social care services generally follows the same principles, although the VAT liability may in some cases differ. It is therefore likely that there will be no VAT charge on the supplies made to the Commissioners.

The VAT implications of other services, such as contract management, supplier selection, quality assurance, financial control, systems and data management, etc. would typically be standard rated for VAT purposes; however this will only be able to be confirmed through the analysis of the relevant contracts, once available. In addition, NHS bodies in England are broadly within the same divisional VAT registration, so that supplies between these bodies are usually disregarded for VAT purposes. Consequently, supplies from an NHS body / provider to the CCG will be outside the scope of VAT.

ICH Organisational Arrangements
The Commissioners will need to consider the VAT implications of the way in which they come together and the impact that VAT costs may have on the funds pooled. The recovery of VAT in relation to any pooled funds will depend on how the agreement is structured. The comments below are based on the treatment of Section 75 agreements:

- Where a lead commissioner is responsible for delivering the service and receives funding from the other commissioner(s) in order to carry out those responsibilities, the recovery of any VAT incurred in the delivery of the service will follow the regime of the lead commissioner.
- Where a lead commissioner is acting under the instruction of another commissioner and is appointed to manage funds on behalf of that commissioner, and so is effectively acting as an agent, VAT recovery will ultimately be determined by the VAT regime of the principal. The parties will need to ensure that the appropriate administrative arrangements are in place to provide the principal with the evidence necessary to

recover VAT where possible, to deal with costs that need to be apportioned and to ensure VAT is applied correctly to any management charges made by the lead commissioner.

Even where there is a Section 75 agreement, the Commissioners will need to consider the VAT implications of charges between them (such as for staff) and be aware that VAT costs can still arise where there is no monetary consideration paid for services provided by one to the other.

The ability of the Council and the CCG to recover any VAT on costs incurred by them as Commissioners is as follows:

The Council
A local authority can usually recover all the VAT it incurs in relation to its activities, as long as the VAT it incurs in relation to what are treated as exempt supplies for VAT purposes remains within the 5% partial exemption de minims limit.

The Council's activities in its role as commissioner should be regarded as non-business rather than exempt in nature from a VAT perspective. Consequently, the Council should be able to recover any VAT on costs incurred in this role and there should be no impact on its partial exemption calculation in this respect.

Providers
The VAT implications for providers in the system will also depend upon the structuring of service and contractual arrangements across Wirral. Again, detailed analysis will need to be undertaken once further plans and arrangements for the future provision of services across Wirral have been agreed.

Transfer Costs
An MOU exists between the Council and CCG and both parties have an agreement, for the treatment of any additional costs of carrying out integration that will be proportioned to both organisations. Although it is possible to identify potential cost pressures based on previous experience, previous experience also tells us that there will naturally be other, unanticipated cost pressures that are unique to this exercise. Both parties are expected to act in good faith in identifying these extra costs as they arise, so that agreement can be reached as soon as possible as to how they will be funded.

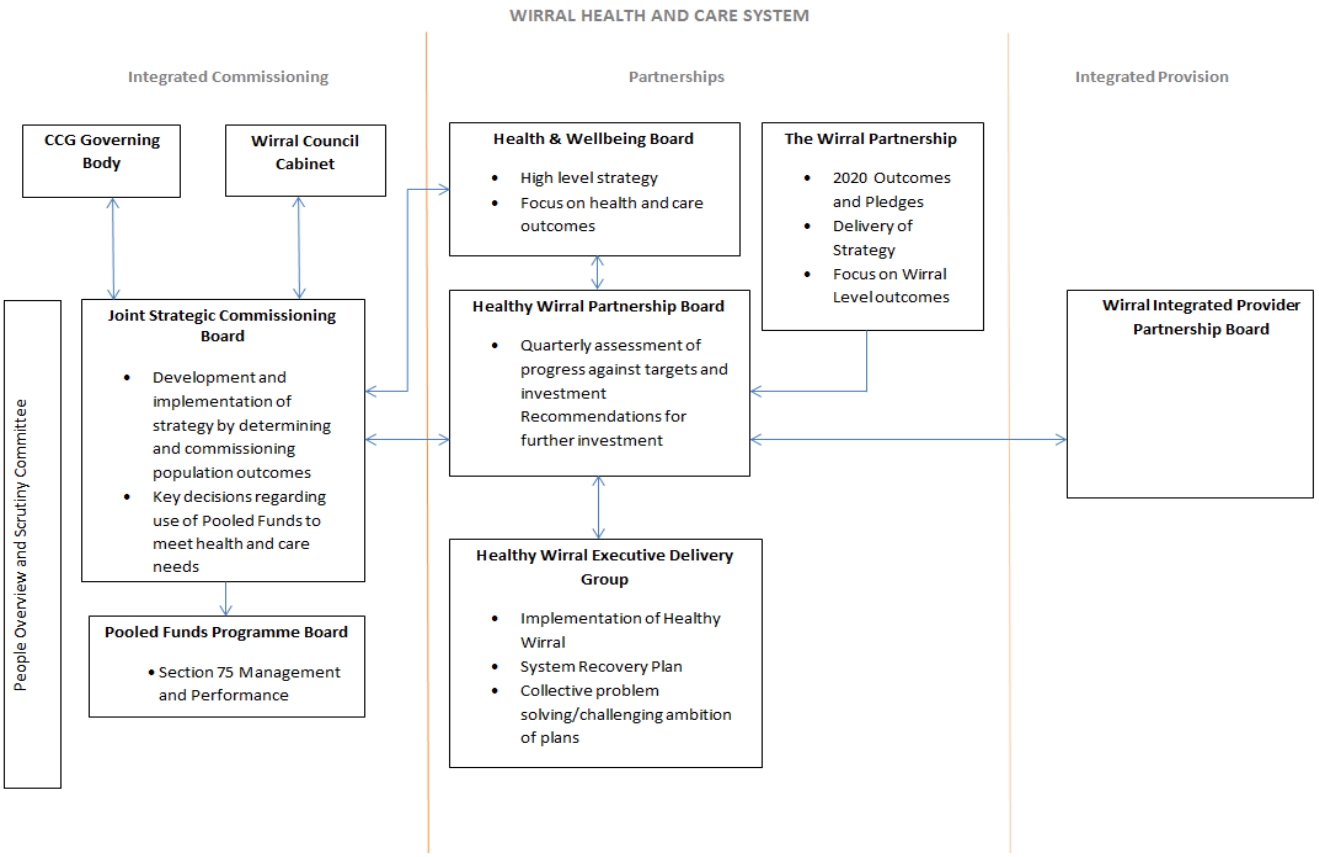
SECTION 5 – MANAGEMENT

Governance

This section of the business case sets out the approach and resources to effectively and safely manage the integration of Adults, Children's & Public Health Commissioning with the CCG.

Governance of the Project and Business Case Development
Clear governance and reporting arrangements are being introduced into the ICH, in order to allow it to deliver the anticipated benefits across the system whilst maintaining the delivery of the Council's and CCG's statutory obligations. This should include the introduction of a Joint Board, comprised of representatives from the Council and CCG. Appropriate delegated authority from the Council and CCG to this Joint Board should be a pre-requisite.

Governance arrangements concerning the use of funding and budget management will also be required, in order to provide assurance to both organisations. This could include approval mechanisms for the agreement of investment decisions and joint monthly reporting of the financial performance of the ICH to the respective organisation boards. Open book accounting would further provide assurance to the Council's and CCG's Boards on the transparency of decision making in the ICH. New Governance arrangements displayed below:



Governance Framework

The Council and CCG from November 2017 to March 2018 will continue to develop the details around the TOM in relation to financial governance arrangements. The Integrated Commissioning Hub (Wirral Council and Wirral CCG) will manage the contract and budget spends via Contract Managers.

Partnership Governance Board

A Partnership Governance Board will be established to oversee the financial commitments, statutory duties and quality standards to ensure that the service provided meets the expected outcomes. The Partnership Governance Board will be the major driver of on-going service development from April 2018.

A Section 75 financial framework will set out the requirements to both the Council & CCG in respect to their statutory responsibilities.

The Partnership Governance Board approach will hold the Integrated Commissioning Hub to account for working in a consistent way across the health and care sector. Such an approach will ensure financial stability, financial governance, statutory compliance and quality standards in delivery.

There is a recognised need for system wide governance and accountability arrangements sitting alongside, in order to align vision, objectives and goals across the wider system, and to ensure democratic accountability to the arrangements. Such arrangements will also provide a mechanism to agree the overlaying risk and benefit sharing arrangements between partners.

Framework and Contract Monitoring

The contract will be monitored from colleagues in the Integrated Commissioning Hub who will ensure that the service is accountable for meeting statutory outcomes, quality and performance standards including specifically;

- Accountability for assessing local needs and ensuring availability and delivery of a full range of adult, Public Health and children's services
- Preventing reducing and delaying care needs escalating
- Promoting wellbeing, a new assessment duty
- Identifying assessing and supporting Carers
- Professional leadership
- Managing demand

Project Board and Project Workstreams

Project Board	Senior Colleagues from Council & CCG meet to discuss project progression, performance, milestones, risk and mitigations involved in the project.	1hr 30min fortnightly meeting
Workstream Leads	Senior and Operational Colleagues meet weekly to agree project milestones, approve project material and approach, identify risks and report accordingly.	1hr weekly meeting

Project Sponsor

The Sponsor of the project is the, Director for Care and Health. The sponsor ensures the project remains a viable proposition.

Programme Manager

The Programme Manager will plan and design the programme and proactively monitor the progress of projects, resolving issues and initiating appropriate corrective action. The Programme Manager will define and monitor the programme's governance arrangements, ensuring effective quality assurance and the overall integrity of the project - focusing inwardly on the internal consistency of the projects, and outwardly on its coherence with infrastructure planning, interfaces with other projects, programmes, and corporate, technical and specialist standards.

Project Manager

The Project Manager meets fortnightly to work together to resolve any project issues. The business planning and implementation stages will be overseen by the six senior business leads, working in partnership with members of the project team.

Project Board

The Project Board meets fortnightly and governs the project.

Members	Name	Business Area
Council	Graham Hodkinson	Director for Care & Health - Adult Social Care
	Julie Webster	Acting Director of Health & Wellbeing
	Jacqui Evans	Assistant Director Health and Care Integration
	Carly Brown	Head of Quality, Performance & Improvement - Children's Services
	Andrew Roberts	Senior Manager – Finance
	Nicola Butterworth	Assistant Director of Commissioning
	Simon Rice	Project Manager – Transformation
CCG	Mike Treharne	Director of Finance
	Paul Edwards	Director of Corporate Affairs
	Nesta Hawker	Director of Commissioning
	Lorna Quigley	Director of Quality & Safeguarding
	Mike Chantler	Deputy Director of Communications

The project worksteams meets weekly and governs project deliverables.

Organisation	Lead	Workstream
Council	Graham Hodkinson	Governance & Structures
CCG	Nesta Hawker	Commissioning Activity Tools
CCG	Mike Treharne	Finance \ Legal
CCG	Mike Chantler	Communications
Council	Sam Jones	Human Resources & OD (OD Sue Blevins)
Council	Nancy Clarkson	Business Intelligence, Reporting & Data Flows
Council	Nicola Butterworth	Commissioning Support Functions

It has been suggested that Legal and Human Resources colleagues join the Project Board, which will be discussed in September's meeting under review of Board attendance. Both Finance and Legal Colleagues attend the weekly workstream meetings and have senior representation at Project Board.

Project Workstreams

- Implements project management and development methodology
- Develops a full understanding of the project goals, objectives and benefits before committing significant resources to enable transformation
- Ensures that the project proceeds effectively through all the essential transformational phases, from concept through to completion
- Ensures the project is properly reviewed by the stakeholders at key stages
- Provides a rigorous approach to defining a realistic timescales and service specification, within budget
- Establishes a structured approach for clearly defining roles and responsibilities for the delivery of the project
- Delivers to baseline milestones through a controlled governance model as defined by the portfolio board.

Overarching Principles for developing the New Operating Model

The Project has followed the Councils Overarching Principles for developing the New Operating Model:

- The new model for delivery will achieve the ambition and vision set out in the Wirral Plan and associated pledges
- The new service will achieve improved outcomes for Wirral residents
- Appropriate engagement has been conducted with stakeholders and service design reflects the views of residents, businesses, partners, and service providers across Wirral
- It is the view that the Integrated Commissioning Hub will create financial efficiencies over the course of the contract achieve savings and reduce operating costs
- Deliverability of project within agreed timetable will be mapped closely. The Model identified will be in place to agreed timescales of April 2018
- The Council retains robust accountability and governance arrangements through joint attendance at Partnership Governance Boards, Health & Wellbeing Boards, Regular Contract Review Meetings, and Annual Contract Review. The new Operating Model will have appropriate commissioning/governance/ contract management arrangements in place to ensure the Council is meeting its statutory duties
- Every effort will be made to ensure the model delivers added value such as supporting residents to access community services/assets across Wirral
- The model promotes equality and diversity amongst its residents and workforce through undertaking robust equality impact assessment.

Stakeholders

To maximise the system benefits of developing truly outcome focused, integrated provision requires large scale involvement, engagement and sign-up from the system as a whole at strategic through to operational level.

The partnership approach outlined throughout the FBC will be crucial to delivering project priorities despite the continuing financial pressure on budgets throughout the Council and CCG.

Key Stakeholders:

- CCG
- Directly affected staff across Adults, Children & Public Health commissioning services
- All Council Staff
- All CCG Staff
- MPs, Councillors
- Wider public
- Health Partners - Health Trusts, GP's
- Service Providers, Community Groups, Volunteers

Communications Plan

The Communications Plans and Engagement Activities will continue to support effective communication and involvement of key staff and stakeholders to ensure the service is effectively implemented to commence in April 2018. The CCG Assistant Director of Communications continues to update the Communications Plan to support the communication of the project with key stakeholders. The Communication plan is reviewed and updated at the monthly Project Management meetings. If the FBC is approved then a joint Communications Plan will be developed further with the Councils & CCG Communications Team.

Staff Engagement

A range of engagement sessions and communications messages have taken place from March 2017 and will extend beyond the life of the project with staff at all levels to enable them to have insight of the Council and CCG intentions around commissioning services**.**

Approximately 50 full time equivalent (FTE) staff from the Council will be part of the Integration with the CCG.

Staff Consultation

No staff consultation will be required at this stage; however the HR\OD workstream will factor any organisational development workshops required in order to manage any cultural issues or any training requirements for the new service.

The information in this section is based on the following assumptions, in relation to the planned developments of a Placed Based Care System:

- Wirral Council and Wirral CCG will enter into a s.75 agreement.
- A single contract will be let for the Placed Based Care System.
- Other forms of provision will require a range of appropriate contractual mechanisms.
- No staff will transfer between Wirral Council and Wirral CCG however staff will be co-located and blended together to streamline the commissioning of services.
- The partnership will require a range of appropriate hosting arrangements for different elements.
- The Strategic Partnership will be hosted by one of the providers.

Trade Union

Trade Unions will be regularly consulted regarding the project.

Service User Engagement
No specific user engagements required in developing the Integrated Commission Hub, the project team will co-ordinate engagement/insight work, to gain a deeper understanding from people and their families who access the services, or provide support to residents. This would ensure that the service design would be fully informed by the real life experiences and ideas from adults, young people and carers, currently living in the Borough.

Further work will take place across from November 2017 to March 2018 to gain a better representation of assessing Social Care and health services.

Target Operating Model (TOM)

To support the delivery of the new arrangements a draft Target Operating Model is being developed in partnership with Wirral CCG - to describe the desired way the new Integrated Commissioning Hub will function in the future, and to create a TOM that will:

- Stimulate the 'Transition' of existing commissioning services from Wirral Council into the new arrangements (April2017)
- Help determine the co-location of services, and alignment of teams.
- Reflect the funding and governance arrangements agreed by partners.
- Understand the associated financial risks for the Council and CCG.
- Act as a focus for 'Service Improvement' 'Re-design' and 'Organisational Development' before and after the services have been transitioned to the new arrangements.
- Enable Wirral Council and CCG to measure the success of the new arrangements once they have transitioned to the Integrated Commissioning Hub.

When completed the Target Operation Model will provide a simple overview of how the Integrated Commissioning Hub will in future commission health and care on behalf of both partners, including:

- The commissioning processes and budgets that will be delegated to the new commissioning Hub.
- Where the work will be done & who will do the work.
- How the work will get done? Tools, IM&T systems and process to be adopted.
- The dependencies and risks and how will these be managed.
- The governance and financial arrangements that will be put in place.
- How success will be measured.

Essentially the TOM will be high level overview/graphical representation of what needs to be put into place – small enough to stay in the heads of leadership, strategic partnerships and groups, and importantly people, who work for both organisations.

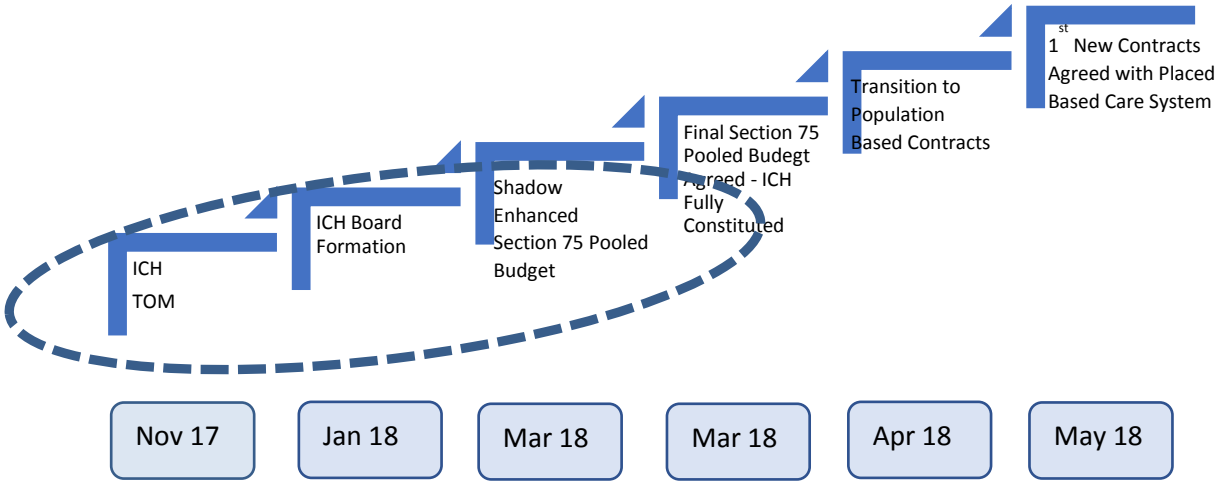
If the FBC is approved, the Target Operating Model will continue to be evolved in partnership and collaboration with Wirral CCG.

Practical Considerations of the Target Operating Model (TOM)
The emerging Target Operating Model will be based on the best possible available knowledge, evidence of value for money and insight, with on-going sustainability of system design and management, and elements of the operating model and service design will continue to be evolved from October 2017 to March 2018. Practicalities and considerations of the TOM include:

- Objectives, Vision, Strategy, Policy
- Legal structure

- Legal requirements linked to meeting statutory duties
- Due diligence
- Terms and conditions –agreements/sanctions
- Risk management strategy
- Business continuity planning
- Financing: any tax/VAT issues
- Procurement regulations
- Governance
- Data protection and Freedom of information
- Professional fees
- Relationship with parent authority and Regulators
- Incubation period (support/costs)
- Registration with regulatory bodies
- Stakeholders
- Exit Strategy
- Performance and Outcome Requirements
- Performance Monitoring Arrangements
- Community / Localism

Proposed Approach



What will our Integrated Commissioning Services look like?

The FBC highlights the need to fundamentally reshape the services we offer and commission to deliver the right care at the right time in the right place, ensuring that every penny counts, and offering the right kind of service to the Wirral population.

The Council will strive for the most cost effective and efficient way of delivering commissioning care services by a formal integration partnership with the CCG; utilising resources available whilst achieving the optimum results.

Staff within the new service will work effectively and confidently with fellow professionals from the CCG and demonstrate effective partnership working particularly in the context of health and social care integrated commissioning.

The integrated commissioner will:

- Focus on commissioning services that provide better and improving health outcomes for the people of Wirral
- Commission services across pathways and against outcomes that are co-produced with the people of Wirral and focused on population health
- Ensure that commissioned services address equality, supporting in the reduction in the variance of health outcomes of services in Wirral are in line with national performance
- Commission a range of provision of safe, high quality, evidence based, appropriate services offering choice, where appropriate, and control to residents
- Ensure continuity of care and prevent market failure
- Commission services that will deliver integrated health and care pathways to benefit people that require support
- Provide information to the public for making good decisions regarding care and decreasing the burden of disease
- Promote local access and ownership and drive partnership working across pathways of care
- Promote social inclusion and wellbeing
- Ensure greater ability to manage demand and secure efficiencies in service delivery
- Deliver an integrated wide systems approach to supporting communities
- Ensure robust financial stewardship
- Undertake care market shaping and oversight.

Staffing Implications
No staffing implications identified at this stage.

Change in culture and working practices
An equal amount of effort will be required to facilitate the cultural change needed to develop a more joined up and cohesive way of working across the both organisations. As well as the change in culture there will also be a change in working practices with new procedures needing to be introduced. This will require practical information and training for staff as appropriate and this is addressed through the workforce development work-stream with full engagement from the Councils OD team to support and implement and organisational change. Staff from across the two organisations will come together as a single (re-branded) commissioning team and will participate in a single programme of organisational development (from January 2018) designed to establish a shared vision and new shared culture.

Benefits Realisation of the Integrated Commissioning Hub

It is important to recognise that due to demographic pressures, increasing demand and an increasing complexity of need, that there is no risk-free option for the future commissioning of services. However, the implementation of the ICH is anticipated to deliver a range of benefits to the health and care system.

Commissioners have already begun to identify the range of clinical, operational and financial benefits which could be delivered through a move to the ICH. The detail behind these workstreams and the associated benefits are described outside of this report, and therefore have not analysed the benefits of moving to the ICH in substantial detail within this FBC.

Despite this, pooling budgets within the ICH could deliver health and care system benefits including:

Aligned incentives across the system:
Pooled budgets will allow the Commissioners to align contractual and financial incentives of health and care providers across Wirral. This will help to ensure that commissioner's outcomes and priorities are increasingly likely to be met, through the incentivisation of aligned, patient/client-centred care across health and social care services.

Increased likelihood of value for money of the Wirral £
The ICH will focus on an integrated commissioning approach to the provision of health and care services across Wirral. A joint commissioning function would be able to facilitate changes from traditional service models, promoting cross-provider working and responsibilities and improving outcomes and system performance.

Reduction in Commissioner time, effort and spend
Commissioners at both the Council and CCG expend a significant amount of time negotiating and agreeing the use of the BCF and CHC/Packages of Care costs, in order to ensure the most efficient and effective utilisation of their own organisation's budgets. A single integrated commissioner would remove these transaction costs, allowing ICH members to focus on system transformation and increasing the value for money of services.

Single planning process, financial plan and shared responsibilities
Duplication of effort would also be reduced by the agreement of a single financial plan with providers, regulators and others providing oversight across Wirral. Commissioners will be able to work closer together, sharing information and insight in order to achieve their shared financial responsibilities and obligations.

Back office corporate support functions

There are likely to be back office support service costs as a result to integrating with the CCG. This could include additional costs in such areas as legal, IT, estates, HR and training, procurement, PA Support\Admin etc. Further work is required in order to calculate what the value of these additional costs are likely to be and, following that, work is being completed with the Councils Assistant Director of Commissioning in working up a managed service provision with the CCG that could create some efficiencies within the new service.

Location of Services

The new services from April 2018 will be delivered from Old Market House, based across 2 floors.

The Adults & Public Health commissioning services are based at Old Market House. It has been agreed by the Council that these teams would occupy 2 floors (4th & 5th) and integrate with the CCG. The move is currently being managed internally by the Councils asset team and forms part of the overall assets strategy until further work around the Civic Hub is developed.

Information Technology

There are a number of technical requirements that need to be addressed to ensure the transition from the Councils current floors to other health space within Old Market House, adequate network capability would need to be addressed either it be via Wi-Fi or fixed cable to ensure connectivity to council systems remains as is to avoid disruption of services.

Council staff will continue to use the Council's Liquid Logic system for reporting and financial purposes and the CCG will retain access to the NHS system, however having two IT systems creates risks associated to duplication of maintaining correct and factual reporting and financial information, creating risk of errors, omissions duplication and reduced operational capacity of staff.

Decisions will be made as to whether their current technology and systems access will be retained or we plan for a long term approach of having a single system for recording financial and reporting data.

New issues may still arise during integrating staff, and the Council Digital/ICT colleagues will work with Health's Commissioning Support Unit (CSU) to address any technological issues.

Next Steps

Establishing the new Integrated Commissioning Hub for April 2018 is ambitious; however this demonstrates how the Council and the CCG are committed to doing things differently in order to improve services and close the gap

on the financial deficit. The approach provides for an initial period of stability, to ensure continuity and no immediate service change (or service disruption) as new arrangements embed into the new service function.

Project Timetable

Beyond articulating the FBC and gaining approval, there is further work to do in terms of the development of a robust 'Section 75 financial framework', gaining agreement of who will host the pooled budget and implement the target operating model (TOM).

Delivering the vision and objectives detailed within the FBC represents a huge change both organisationally and culturally. Providing the FBC is approved at the end November, then significant time and attention will be spent developing the teams, enhancing the commissioning prospectus and developing detailed plans around joint commissioning.

The timetable below provides an overview of the planned phases implement the new model of service for April 2018. A partnership approach will drive the project management activities.

The key high-level milestones and delivery dates are as follows:

Milestone	Completion Dates
Financial Due Diligence (PWC)	September 2017
Establish TOM developments	September 2017
Staff Engagement	September 17 - March 2018
TOM agreed	November 2017
FBC Approval – Cabinet	November 2017
Development of 'Section 75' (Risk\Share)	February 2018
Financial Governance – Legal & Financial Review	February 2018
Agree Exit strategy	February 2018
Transition Integration phase – Shadow Form	November 2017 – March 2018
Joint Commissioning commences	April 2018
Project evaluation review	May2018
Stabilisation phase – Year 1	April 2018 – March 2019
Benefits Realisation	July 2018

Contingency Plans

An ongoing challenge for the ICH will be its response to national and local policy changes. It is recommended that known policy intentions are reviewed and shared between both organisations in order to agree a shared view on the impact that these changes may have. This includes the Government's proposal to reform social care funding from 2020/21, and the likely impact on the ICH if the CCG is entered in the NHS Capped Expenditure Process.

This will allow the ICH to scenario plan and agree contingency arrangements if policy changes result in significant pressures and/or changes for service provision across Wirral. Over time, contingency funding should try to be built up by the ICH in order to mitigate the effect of unanticipated pressures over the longer term. The outcome of such a review should be reflected in the risk and gain share arrangements in the ICH.

Future Resources Required

The professional, technical and administrative functions required to support the ongoing operation will need to be identified prior to integrating the service. Identification will include resourcing for legal, finance, human resources, ICT, workforce development, performance and quality arrangements, including risk management. A range of work-stream meetings will take place in which lead officers from the Council and CCG and will work collectively together.

Recommendations

The FBC seeks agreement on the following recommendations:

Proceed to Pool £109m of commissioning budget from Adults, Children and Public Health Commissioning. (Supported by Financial Due Diligence)

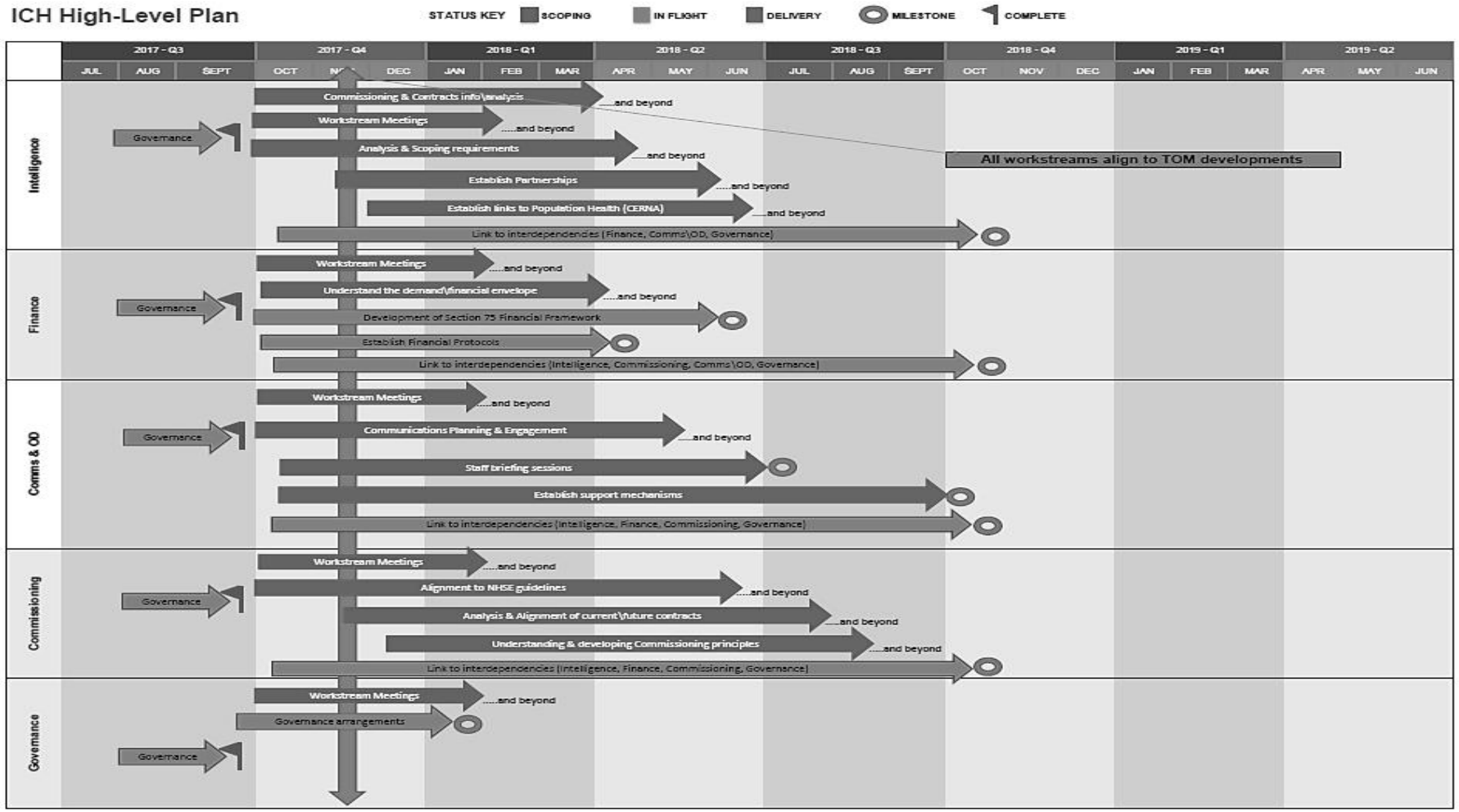
Proceed with joint planning with integrating Adults, Children and Public Health Commissioners with the CCG.

Develop a Risk\Gain share for both organisations.

Develop ICH Governance and Reporting arrangements.

Approve the transformation costs for the Council estimated at £112,000.

Appendix 1 - ICH High Level Rollout Plan



Appendix 2 - References

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Appendix 3 - Key Boards & Groups

A selection of the Key Boards/Groups within Wirral that will inform the Integrated Commission Hub

Wirral Governance Project Boards

- Joint Integrated Commissioning Project Board
- Transformation Portfolio Board
- Wirral's Partnership Board
- Health and Wellbeing Board
- People Overview and Scrutiny Board
- Ageing Well Steering Group
- Older People's Parliament
- Carer's Partnership Board
- Children's Joint Commissioning Group (CJCG)

Wirral Council Strategies for Consideration that inform the Integrated Commissioning Project:

- Transition Strategy
- Ageing Well Strategy
- Improving Life Chances Strategy
- Safeguarding Strategy
- Early Help and Prevention Strategies
- Children, Young People and Families Strategy
- Special Educational Needs and Disability Strategy
- Wirral Strategy for Carers
- Learning Disability Commissioning Plan
- Targeted Support Commissioning Plan
- Early Intervention Commissioning Plan

Wirral Council Policies for consideration that inform the Integrated Commissioning Project:

- Access to Social Care Records Policy
- Assessment eligibility and review policy
- Assessment eligibility and review appendices
- Charging and financial assessment policy
- Choice of Accommodation and Additional Payments top-ups Policy
- Complaints policy
- Deferred payment policy
- Financial protection policy
- Homelessness policy
- Hospital discharges policy
- Market shaping and market failure policy
- Medication policy
- Ordinary residence policy
- Overarching Values and Principles Policy
- Personal Budgets and Direct Payments Policy
- Referral and First Contact Policy
- Safeguarding Adults Partnership Board (SAPB) Policy
- Safeguarding Policy
- Support Planning Policy

Appendix 4 – Financial Due Diligence Report

FINAL Integrated Commissioning Hub Fi