



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

**CABINET
27 NOVEMBER 2017**

**INTEGRATED COMMISSIONING FOR
WIRRAL**

Councillor Christine Jones said:

The people of Wirral told us that they want improved and more fully integrated services in relation to health and care.

In order to deliver a more joined up system our social care, health, public health and children's commissioners need to work effectively together to define the improvements that are required to work with the public to define outcomes and to make sure that resources are used effectively right across the system to deliver them.

To this end we are bringing together a range of resources from the Clinical Commissioning Group (CCG) and the Local Authority to create a single commissioner for Wirral, working through formal shared arrangements, and a Committee in Common to ensure that the Council and the CCG can effectively deliver their Health and Care functions.

The aim is to deliver the right care, in the right place, at the right time, in order to ensure that our residents are able to be as independent as possible but get access to important health and care services when they need them.

REPORT SUMMARY

This report follows earlier Cabinet reports of 16 January 2017 and 27 March 2017; it focusses on a key part of the broader integration of health and care services. The planning, funding and commissioning arrangements for all age health and care services.

Cabinet approval has previously been sought to progress with the development of a single commissioning organisation bringing Local Authority functions together with the CCG, agreement was also gained to commission a due diligence exercise to fully understand the potential benefits and risks of pooling resources with the NHS.

The due diligence exercise is now complete and work has progressed in a number of areas. This report includes a summary and response to the due diligence, the final business case, proposed governance arrangements and key elements of the Target Operating Model (TOM).

The proposal to create an integrated commissioner for health and care on Wirral, that will enable all age services to be commissioned through a single commissioner fulfilling the statutory health, care and wellbeing functions of the Council and the CCG. It will also support more effective delivery of strategic outcomes through a single planning framework and structure.

This single commissioner initiative will enable the health and care system to use Wirral's resources together to jointly create a more sustainable health and care system. Commissioning will provide system leadership and a focus on strategic outcomes for people, alongside the Place Based Care delivery arrangements that will ensure that the health and care provider system is fully integrated working together to deliver those outcomes for Wirral.

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

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

Wirral Plan Pledge 1: Older people live well

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

Wirral Plan Pledge 6: People with disabilities live independently.

People with disabilities will be supported to be as independent as possible and to live healthy lives. Services will enable people to have access to employment and to have more choice and control over their lives.

Wirral Plan Pledge 16: Wirral residents live healthier lives.

Services will be commissioned on a whole system basis building on the clear link between the 2020 partnership pledges and the Healthy Wirral Programme.

This report contains **exempt** information at Appendix 2 as defined in Schedule 12A of the Local Government Act 1972. It is in the public interest to exclude the press and public under **Paragraph 3** *'Information relating to the financial or business affairs of any particular person (including the authority holding the information)*. The information contained in the appendices is commercially sensitive.

RECOMMENDATION/S

It is recommended that:

- a) Cabinet receive the Full Business Case as appended to this report;
- b) Cabinet note the content of this report including the sections relating to due diligence, governance and target operating model (TOM);
- c) a Cabinet Committee be established, to sit alongside the Clinical Commissioning Group (CCG) Governing Body of the NHS as a committee in common, to oversee the work of the single integrated health and care commissioner for Wirral and to take such Cabinet decisions as are required in respect of the Council's relevant functions;
- d) work continues with regard to the TOM and governance arrangements with the implementation of a single commissioning arrangement for 1 April 2018; and
- e) a further progress report be brought to Cabinet in April 2018.

REASON/S FOR RECOMMENDATION/S

The integration of health and care commissioning will ensure that the Council and NHS partners use resources in a more effective and sustainable manner to meet the needs of Wirral's residents through using resources well across the whole system. The following key features of integration are essential to success;

- Pooling resources, intelligence and planning capacity;
- Delivering the Right Care in the Right Place at the Right Time;
- Managing demand and the cost of care;
- Clear accountability and governance arrangements;
- Resilience and flexibility to emerging issues in service delivery.

1 OTHER OPTIONS CONSIDERED

- 1.1 Continue to commission separately. This option was excluded as it would not provide the opportunities for integrated strategic planning and delivery of services to a single shared set of outcomes, with a clear single governance framework for implementation, nor would it improve the ability to manage future demand. This option is considered to be less sustainable.

2 BACKGROUND INFORMATION

- 2.1 In March 2016, Cabinet approved the establishment of a Transformation Programme to enable the Council to become much more commercially focussed, harnessing the spirit and practices of commerce to secure outcomes for residents. It was agreed that the Programme would be managed through comprehensive methodologies ensuring all transformation activities support the delivery of the 20 pledges.

3.0 CONSULTATION AND ENGAGEMENT

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

4.0 COMMISSIONING INTEGRATION KEY FEATURES AND BENEFITS

- 4.1 Bringing together all of the commissioning resources across health and care will ensure the coordination and delivery of 2020 Health and Care outcomes for the people of Wirral that need support. These will be delivered through the Healthy Wirral programme which is a single joined up commissioning plan. We can develop more timely joined up services that can respond more effectively to changing demand through using resources from right across the health and care economy of circa £593M.
- 4.2 Creating a single integrated commissioner offers the opportunity to deliver a single comprehensive commissioning plan, and to make commissioning decisions that are in the interests of the whole system. It should be noted, however, that the resource overall is currently under significant pressure, both within the Council and the CCG which could increase potential financial risk.
- 4.3 The Partnership is expected to achieve the following from the integrated commissioner;
- A focus on better health, care and wellbeing outcomes for the people of Wirral
 - Commissioned outcomes and priorities will be fully aligned into a single plan
 - A greater ability to manage demand and secure efficiencies in service delivery, increasing value for the “Wirral Pound”
 - Undertake Care Market shaping and oversight;
 - Commission a range of provision of high quality, appropriate services offering choice and control to residents;
 - Ensure continuity of care and prevent market failure;
 - Deliver integrated health and care to benefit people that require support;
 - Provide information to the public for making good decisions regarding care;
 - Promote local access and ownership and drive partnership working;
 - Promote social inclusion and wellbeing;
 - Deliver an integrated whole systems approach to supporting communities.
- 4.4 The aim is to provide a single integrated commissioning and governance structure to ensure that Health, Care and Wellbeing services are effectively joined up into a single system that is sustainable, through using resources to best effect and to deliver improved outcomes for the people of Wirral.

- 4.5 In the first instance our commissioning and quality assurance staff will be aligned to a single set of Healthy Wirral outcomes. Some budgets will be pooled as appropriate with the intention to pool all available resources within the next two years, building on the existing Section 75 and associated learning. The aim is to use the collective resources efficiently and to maximum effect. The proposal is that pooled budgets will be apportioned in order to deliver a population health capitated budget so that Wirral Integrated Providers work to outcomes within that defined budget.
- 4.6 At this stage the commissioning of GP's is not included as part of the pooled budget, primary care is currently commissioned by NHS England.

5.0 DUE DILIGENCE

- 5.1 A Due Diligence exercise was commissioned through Price Waterhouse Coopers (PWC), this identified key strategic risks and mitigations. The report was clear that increasing demand, in the face of limited funding, requires new ways of working in order for financial balance to be sustained. The pooling of budgets in the Integrated Commissioning Hub (ICH) should stimulate new joint ways of commissioning services across the Wirral and allow Commissioners to focus their efforts on improving services for their citizens.
- 5.2 PWC stated that *“Based on our assessment of the ambitions for the ICH, the risks and mitigations identified from pooling the budgets and the potential benefits which could be delivered, we believe that the move to the ICH is the correct approach.”*
- 5.3 Accountants from the Council and the CCG are working through all of the potential risks to ensure that arrangements mitigate as far as possible the issues that arise from demand pressures across the system. It is important to recognise, however 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. Integration is, however the direction of travel in many areas of the country, and the implementation of the Integrated Commissioner 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.
- 5.4 Benefits identified related to pooling resources included;
- Aligned incentives across the system
 - Increased likelihood of value for money through collaboration with providers
 - Reduction in commissioner time, effort and spend leading to broader strategic scope
 - Single planning process , financial plan and shared responsibilities
 - The introduction of an integrated commissioner with a single pool of funds will facilitate the introduction of a wider Place Based Care system across Wirral.

6.0 GOVERNANCE ARRANGEMENTS

- 6.1 Integration will be critical in moving towards outcome based commissioning that will enhance the quality and consistency of services, moving towards a more holistic approach to health, wellbeing and social care provision, by the formation of an alliance of health and care providers. The integrated provider will work on delivering strategic commissioned outcomes and objectives for the population.
- 6.2 In order to facilitate this integrated shift a new commissioning body is required. The Joint Strategic Commissioning Board would be a 'committee in common'; being two separate bodies but which sit together at the same time and place, each being a consultee to the other in their decision making. As this committee in common, the Board would be made up of a Cabinet Committee of the Council and the CCG Governing Body. It is intended that the Board will:
- lead service commissioning on behalf of the statutory bodies;
 - focus on commissioning for outcomes in the delivery of health, wellbeing and care services; and
 - ensure that they perform effectively and deliver to the appropriate quality standards.
- 6.3 Those attending the Joint Strategic Commissioning Board's meetings will include officers from the Council and the CCG, Senior Clinical Leads and Lay Members from the CCG Governing Body, as well as those members of the Cabinet Committee and the CCG Governing Board that will make up the Board as a committee in common. Meetings of the Board will ordinarily be held in public and, as a committee in common, each of the bodies would need to comply with their own governance procedures. In the case of the Cabinet Committee, this would mean that the Joint Strategic Commissioning Board (or at least those decisions subject to the Cabinet Committee's input) would comply with the Council's normal executive rules about prior publication, access to information, call-in by an overview and scrutiny committee of the Council and so forth.
- 6.4 Members of Joint Strategic Commissioning Board will have collective responsibility for the operation of the Board, including discussion of evidence, and will provide expert opinion in order to reach a collective view. The Board can also call for additional experts to attend meetings on an ad hoc basis to inform discussions, report or answer questions. It is envisaged that the meeting will jointly chaired by the Cabinet Lead for Social Care and Health and the CCG's Clinical Chair.
- 6.5 It is anticipated that the Joint Strategic Commissioning Board will meet at monthly intervals.

6.6 The terms of reference and delegation of the Cabinet Committee would form part of the Leader's Scheme of Delegation set out in Part 3 (Responsibility for Functions) of the Constitution.

7.0 TARGET OPERATING MODEL

7.1 Agreements have been reached in relation to key commissioning priorities; these are reflected through the "Healthy Wirral" plan that shows health and care priorities under the Wirral 2020 Plan. Commissioning roles and organisational shape is being developed as part of a TOM within current organisational frameworks.

To support the delivery of the new arrangements a draft TOM is in development - to describe the desired way the new ICH will function in the future, the aim is to create a TOM that will:

- Stimulate the 'Transition' of existing commissioning services from Wirral Council into the new arrangements (April 2017)
- Help determine the co-location of services, and alignment of teams.
- Reflect the funding and governance arrangements agreed by partners.
- 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 ICH.

7.2 When completed, the TOM will provide a simple overview of how the ICH 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 ICH.
- Where the work will be done & who will do the work.
- How the work will get done? Tools, systems and process to be adopted.
- The dependencies and risks and how will these be managed.
- The financial arrangements that will be put in place.
- How success will be measured.

7.3 Essentially the TOM will be high level overview/graphical representation of what needs to be put into place. The emerging TOM will be based on the best possible available knowledge, evidence of value for money and insight. It will continue to be evolved through to March 2018. Practicalities and considerations of the TOM include:

- Objectives, Vision, Strategy, Policy
- Legal requirements linked to meeting statutory duties

- The development of a single work-plan
- 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

8. FINANCIAL IMPLICATIONS

- 8.1 The table, below, summarises the anticipated growth in the pooled fund over the medium term. Growth in Council contribution to the pool comes from the application of the social care precept and growth in the Improved Better Care Fund (received through retention of Business Rates), both of which are linked to a rising elderly population and demand for social care and health services, in addition to rising care costs.

Organisation	17/18 (£m)	18/19 (£m)	19/20 (£m)	20/21 (£m)
Wirral Council	73.9	80.8	85.2	83.4
CCG	493.4	tbc	tbc	tbc
Public Health	25.6	24.5	24.0*	24.0*
Total	592.9			

**Public Health is funded by a ring-fenced grant for 17/18 and 18.19. From April 2019, it is expected that Public Health will be funded entirely from Business Rates. Expenditure from 2019 onwards is estimated to be £24.0m in each year.*

- 8.2 It is assumed that this pool can meet all current and future service demands, including - but not limited to - demographic growth, increases in the unit cost of care and increased demand for acute services.
- 8.3 The improved Better Care Fund is due to end, in its current form, on 31 March 2020. There is no indication yet, from the Chancellor, as to what funding will be put in place by the government to replace it, although a nationwide review of the funding of social care is expected to have been completed by this point.

9. LEGAL IMPLICATIONS

- 9.1 The statutory duties placed on the Council will continue to rest with the Council and with the Council's Director of Health and Care, Director of Public Health and Director of Children's Services.

- 9.2 Arrangements under section 75 of the National Health Service Act 2006 provide for legal agreements for the pooling of budgets and management arrangements between local authorities and NHS bodies, and will set out how the commissioning functions will be discharged through the Integrated Commissioner TOM, but cannot provide for joint decision making bodies under current legislation. Short of creating a separate legal vehicle, which is not appropriate in this instance, a committee in common would allow for joined up decision making in the exercise of the functions set out in this report.
- 9.3 A 'committee-in-common' describes the situation where two bodies meet at the same time and place and discuss the same things, but retain their own legal status and governance arrangements for decision making. This coming together enables the partner bodies to make decisions in a joined up way, simultaneously, although the final decision is still taken at an individual body level and subject to each of the bodies' individual governance procedures. These structures are particularly useful where two or more bodies would ideally like to establish themselves in a joint structure but are not legally able to. Given that there is also no provision for NHS and CCG joint committees to cover more than one CCG area, for example, committees in common are now a regular feature of NHS governance arrangements where they wish to join up decision making to cover multiple CCG areas.
- 9.4 A Committee of Cabinet must adhere to the same rules of procedure, notice and public access as a meeting of full Cabinet, whether meeting as a committee in common alongside another body or not. The extent of delegation from the Leader and cabinet, the Committee's terms of reference, must be included within the Constitution once agreed by the Leader.

10.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

- 10.1 All staff will remain with their current employer, terms and conditions. Whilst staff from across organisations will be collocated and will work across organisational requirements and priorities this will be managed through a formally agreed work-plan as identified under the section relating to the TOM.
- 10.2 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 are taking place with lead officers from the Council and CCG who are working collectively together to seek the most appropriate and effective support arrangements.

11.0 RELEVANT RISKS

- 11.1 There are risks to the approach related to the integrated commissioner recommended in this report. The options appraisal carried out, however at the start of this process identified that there are no risk-free approaches to future service delivery, for either the Council or the CCG, this was echoed in the due diligence report.
- 11.2 There is a financial risk of increased costs and the risk of failure to provide services to an adequate standard whilst delivering the Council's statutory duties. These will be mitigated by effective contract management and governance arrangements, including identification of appropriate risk/gain share agreements.
- 11.3 Financial risk and risk of failure to provide services to an adequate standard whilst delivering the Council's statutory duties will be mitigated by effective contract management and governance arrangements.

12.0 ENGAGEMENT/CONSULTATION

- 12.1 Stakeholder, public and staff engagement has been undertaken over a number of years through Healthy Wirral, Vision 2018 and Vanguard events, together with recent staff engagement sessions. If Cabinet approve the proposal then staff consultation will commence, leading communication with Wirral residents.
- 12.2 Formal staff consultation is not strictly required as there are no specific negative impacts on staff members, however the associated issues relating to colocation and the joint work-plan leads to a position where staff and Trade Union communication is critical. Regular meetings have commenced with the Trade Unions and staff members on an inclusive (rather than targeted) basis to address any concerns or issues that arise in relation to emerging arrangements.

13.0 EQUALITY IMPLICATIONS

- 13.1 There is no relevance to equality. People and service users will receive a more streamlined service with less duplication and more effective support planning and access to services.

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APPENDICES

Appendix 1 - Full Business Case

Appendix 2 - Due Diligence Report (**EXEMPT**)

REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet	15 January 2017 27 March 2017