PLYMOUTH CITY COUNCIL

Subject:	Integrated Commissioning Business Case
Committee:	Cabinet
Date:	15 July 2014
Cabinet Member:	Councillor Ian Tuffin / Councillor Sue McDonald
CMT Member:	Carole Burgoyne (Strategic Director for People)
Authors:	Craig McArdle (Head of Co-operative Commissioning, PCC) Nicola Jones (Head of Western Locality Programmes, NEW Devon CCG)
Contact details	Tel: 01752 307530 email: Craig.McArdle@plymouth.gov.uk
Ref:	IHWB/IC
Key Decision:	Yes
Part:	I

Purpose of the report:

The purpose of this report is to seek Cabinet's approval of a Business Case that sets out how Plymouth City Council and Northern, Eastern and Western Devon CCG are to take forward Integrated Commissioning, in line with the Health and Wellbeing Board's vision of achieving Integration by 2016.

Public sector organisations across the country are facing a combination of severe budget pressures and increasing demand for services and are only able to meet these combined challenges through system wide change.

In response Plymouth Health and Wellbeing Board has adopted a system's leadership approach that has set down a vision of system integration based around Integrated Commissioning, Integrated Health and Care Services and an integrated system of health and wellbeing.

Plymouth City Council (PCC) and Northern, Eastern and Western Devon CCG ('NEW Devon CCG') have already developed strong relationships which can act as a solid foundation to support system wide integration. Co-location has brought commissioning teams into the same building at Windsor House, and this has enabled the development of lead commissioning arrangements, some pooling of budgets, and joint commissioning strategies.

However both organisations recognise that if they are to make the step change in improving services and outcomes for individuals and communities, then achieving the largest scale of commissioning change possible is required. Therefore by building on co-location and existing joint commissioning arrangements, the focus will be to establish a single commissioning function, the development of integrated commissioning strategies and pooling of budgets, through a section 75 agreement.

A Section 75 agreement allows budgets to be pooled between local health and social care organisations and authorities. Resources and management structures can be integrated and functions can be reallocated between partners. Legal mechanisms allowing budgets to be pooled are designed to enable greater integration between health and social care and more locally tailored services. This legal flexibility allows a strategic and more efficient approach to commissioning local services across organisations and a basis to form new organisational structures that integrate health and social care.

Fundamental to the new commissioning function will be an enhanced role for an integrated intelligence function that will drive prioritisation of resources, evidence based interventions and innovative models of care and support. And underpinning the approach will be co-operative commissioning principles and values of being democratic, responsible, fair and partners.

Integrated commissioning is not an end in itself and the primary driver is to improve service delivery and provision with the aim of improving outcomes and value for money. Integrated commissioning must deliver integrated wellbeing.

The single commissioning function will therefore focus on developing joined up population based, public health, preventative and early intervention strategies and adopt an asset based approach to providing an integrated system of health and wellbeing, focusing on increasing the capacity and assets of people and place.

Integrated commissioning will provide the opportunity to commission an integrated provider function stretching across health and social care providing the right care at the right time in the right place. Although driven by Integrated Commissioning this is subject to a separate but connected business case.

Integrated commissioning will also have a key role in ensuring that every Child in the City achieves the Best Start to Life. In doing so it is recognised that similar whole system approach to Children's and Young Persons Services needs to be adopted. Co-operative commissioning principles and values will be central to the Children's Services redesign however the detailed implementation is subject to a separate business case.

To deliver such an ambitious programme it is recognised that due diligence will need to be undertaken, with measurable steps along the way. As an initial step towards establishing a more integrated approach to commissioning Plymouth City Council will complete a review of its own commissioning approach first. The aim of the review will be to reduce duplication, clarify roles and bring commissioning for People into one co-operative commissioning unit.

Plymouth City Council and New Devon CCG will then work towards commissioners coming together with shared line management and pooled commissioning budgets (for services in scope of integration) by March 2015. It is recognised that this will act as a transitional option with a subsequent stage being commissioners and pooled budgets coming together to create a new commissioning entity with potential to grow in terms of geography, scope and partners

Governance and risk sharing arrangements are essential to the success of the project and these will be developed during the delivery phase during the period September – October 2014, with the commissioning strategies and section 75 agreements coming back to governing bodies for final approval after this period.

What does this project mean for Plymouth?

The project aims to bring about the following step change in the way services are commissioned and delivered and at the end of the project the following distinct elements will be in place:

- Single commissioning: Commissioners from both organisations will work together to produce single service specifications for the delivery of services funded from a single integrated budget.

- Single decision-making: Senior managers and clinicians from the local authority and CCG, guided by the Health and Wellbeing Board, will make evidence based and informed decisions together rather than as separate organisations.
- Commissioning will be co- designed and co-produced with people, communities, and providers including voluntary sector organisations and GP Practices: We need to work together to develop our providers and engage with GPs in Plymouth's communities.
- IT systems will work and speak to each other across organisational boundaries.
- "Whole system' measures of success will drive the integrated commissioning of services.

What will people in Plymouth see as a result?

- Easier and earlier access to services that promote wellbeing or that provide help in a crisis
- People empowered to take control of their own health and wellbeing
- Local communities in Plymouth are increasingly supported by strong links between GPs, schools, social workers and community organisations, which helps people like them to stay independent for longer.
- Older people who have come out of hospital are helped to stay at home.
- Families and carers will not have to chase professionals or ask them to talk to each other.
- Children with a learning disability and their families and carers are supported in managing their needs and can trust that when they turn 25 they will continue to receive the support they need.
- Developing social capital that enhances the lives of people in Plymouth through providing local resources that support a greater emphasis on prevention and early intervention.
- Greater economic opportunities as more people get the support they need to work.

The Brilliant Co-operative Council Corporate Plan 2013/14 - 2016/17:

The propositions made in this business case align to the Plymouth City Council Corporate Plan by working co-operatively to meet the objectives of creating a Caring and Pioneering Plymouth. It also aligns to the Health and Wellbeing Board's vision of achieving Integration by 2016, as decided in June 2013.

This project will support the Corporate Vision through:

- Being **pioneering** in developing and delivering quality, innovative brilliant services with our citizens and partners that make a real difference to the health and well- being of the residents of Plymouth through challenging economic times.
- **Growing** Plymouth through learning and community development creating opportunities for vulnerable people to develop, making us and them stronger and more confident as a result.
- Putting citizens at the heart of their communities and work with our partners to help us **care for Plymouth**. We will achieve this together by supporting communities, help them develop existing and new enterprises, redesign existing services which will in turn create new jobs, raise aspirations, improve health and educational outcomes and make the city a brilliant place to live, to work and create a future for all that reflects our guiding co-operative values.
- Raising aspirations, improving education, increasing economic growth and regeneration, people will have increased **confidence in Plymouth**. With citizens, visitors and investors identifying us as a "vibrant, confident, pioneering, brilliant place to live and work" with an outstanding quality of life.

The Integrated Commissioning Project will address the following of the Council's 50 Pledges:

Caring Plymouth - For all of Plymouth's residents whatever their age
1. Continue our pioneering work to make Plymouth a dementia friendly city.

Working Plymouth - The Economy and Jobs
4. Set up a forum to help women return to work on family friendly policies after maternity or childcare leave.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

Transformation resources will be required for the duration of the project. These should be internal where possible and so will rely on staff being temporarily released from other areas of the organisation.

Requirement for Corporate Support (Legal, HR, Finance, etc.) will need to be managed due to the current high volume of requests for their support.

Project costs should be equally split between CCG and PCC.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

The report strengthens our approach to both Child Poverty and Community Safety by focusing on early intervention and prevention and giving every child the best start to life. In line with our Co-operative commissioning principles the approach adopted aims to build both community and individual capacity. Children living in families affected by poverty will feel the benefit of improved family health and wellbeing which directly and indirectly affects economic stability and resilience.

No specific Health and Safety Issues have been identified.

This report will contribute to the response to the Fairness Commission recommendations scheduled for August 2014.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? Yes

When considering this proposal it is important to have due regard to the public sector equalities duties imposed upon the Council by section 149 Equalities Act 2010 to

- Eliminate unlawful discrimination, harassment and victimisation and
- Advance equality of opportunity between people who share a protected characteristic from those who do not and to
- Foster good relations between people who share protected characteristics and others

The relevant protected characteristics for this purpose are: (a) age; (b) disability; (c) gender reassignment; (d) pregnancy and maternity; (e) race; (f) religion or belief; (g) sex; (h) sexual orientation.

Compliance with the duties in this section may involve treating some persons more favourably than others.

A Programme wide detailed equality impact assessment has been completed and will continue to be updated through this process to ensure we take action and mitigate any negative effects on any particular groups or individuals.

Recommendations and Reasons for recommended action:

In order to meet the challenges facing the health and care system it is recommended that NEW Devon Clinical Commissioning Group and Plymouth City Council follow a road map towards integrated commissioning by formally approving the following steps-

1. Plymouth City Council to review all commissioning activity across The People Directorate and ODPH and establish a single co-operative commissioning unit ahead of integration.

2. Plymouth City Council works collaboratively with NEW Devon CCG to achieve the first stage of an Integrated Commissioning Function by March 2015

3. Plymouth City Council works with NEW Devon CCG to develop a section 75 agreement(s) by the end of March 2015 to pool budgets based around:
   a. Wellness
   b. Community Based Care
   c. Complex / Bed Based Care (excluding acute)

4. Plymouth City Council works with NEW Devon CCG to develop single commissioning strategies based around the above.

5. Recommendations III and IV are subject to further Plymouth City Council and NEW Devon CCG Governance Approvals prior to implementation in November 2014.

Alternative options considered and rejected:

A 'do nothing' option has been considered however this has been rejected due to the significant and time-critical budget pressures facing Plymouth City Council and NEW Devon CCG meaning that this option is not feasible. It would also not deliver the strategic ambition of Integration as set down by Plymouth Health and Wellbeing Board.

During the Options Appraisal the option *'Commissioners come together with shared line management but commissioning budgets remain separate'* was also considered but this too was rejected due to the level of integration not being sufficient enough to deliver the desired outcomes. Partners are committed to improving services and outcomes for individuals and communities and recognise that to achieve this, a commitment to achieving the largest scale of commissioning change possible is required.

Published work / information:

Corporate Plan 2013/2014 – 2016/2017, Report to City Council, 22nd July 2013.

http://www.plymouth.gov.uk/mgInternet/documents/s48110/Corporate%20Plan%20Full20Council%20 22.07.13.pdf

The Brilliant Cooperative Council Three Year Plan, Report to City Council, 16th September 2013.
http://www.plymouth.gov.uk/mgInternet/documents/s48110/Corporate%20Plan%20Full%20Council%2022.07.13.pdf

The Brilliant Cooperative Council Three Year Plan, Report to Cooperative Scrutiny Board, 16th October 2013.
http://www.plymouth.gov.uk/modgov?modgovlink=http%3A%2F%2Fwww.plymouth.gov.uk%2FmgIntenet%2FieListDocuments.aspx%3FCId%3D1071%26amp%3BMId%3D5544%26amp%3BVer%3D4

Transformation Programme, Report to Cabinet 25th March 2014, including the IHWB Outline Business Case.
http://www.plymouth.gov.uk/mgInternet/documents/s53610/transformation%20cabinet%20march%22 2014%20final%20MCv1%202.pdf

Health and Wellbeing Strategy, Published by Plymouth City Council, February 2014
http://www.plymouth.gov.uk/healthwellbeingstrategy.pdf

Co-operative Commissioning Framework, Published by Plymouth City Council
http://www.plymouth.gov.uk/cooperative_commissioning.pdf

NHS NEW Devon CCG Five-year Strategic Plan (draft), 4 April 2014
http://www.newdevonccg.nhs.uk/who-we-are/what-is-clinical-commissioning/commissioning-framework/100925

Your health, your future, your say: Western Locality's engagement report on Transforming Community Services, March 2014
http://www.newdevonccg.nhs.uk/permanent-link/?rid=101537

Background papers:

Title	Part I	Part II	Exemption Paragraph Number						
			1	2	3	4	5	6	7

Sign off:

Fin	mc14 15.21	Leg		Mon Off		HR	HR-CS2 5.6. 14.	Assets		IT		Strat Proc	
Originating SMT Member: Dave Simpkins (Assistant Director of Adult Social Care and Co-operative Commissioning)													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

Integrated Health and Wellbeing
Business Case

Project Name:	Integrated Commissioning		
Date:	03.06.14	**Version:**	0.4
Author(s):	Craig McArdle, Nicola Jones, Craig Williams, Lynne Kilner, Anna Coles, Paul Walshe, Alex Mehaffey, Mark Appleby		
Owner(s):	Carole Burgoyne & Jerry Clough		

Recent History			
Version:	**Date:**	**Summary of Changes:**	**Changes Marked:**
0.1	14.05.14	Initial Draft	AM
0.2	28.05.14	Update	AM / AC
0.3	03.06.14	Feedback incorporated	CM
0.4	18.06.14	Feedback incorporated	AM / CM

Approvals				
Name:	**Title:**	**Signature:**	**Date:**	**Version:**
	Finance			
	Business Architecture			
	Portfolio Office			
	Legal			
	Human Resources			
	Project Executives			

Distribution			
Name:	**Title:**	**Date:**	**Version:**

Contents

An Introduction to Transformation **10**

1. Background and Opportunity **16**
1.1. Background and Context 16
1.2. Overview of Existing Situation 16
1.3. Defining Integrated Commissioning 17
1.4. Opportunities and Outcomes 17

2. Project Categorisation / Strategic Fit **19**
2.1. Strategic Case 19
2.2. Local Strategic Drivers 19
2.3. National Strategic Drivers 22

3. Project Scope **24**
3.1. Integrated Commissioning 24
3.2. Integrated Provision through Commissioning 24
3.3. Integrated Commissioning for the Best Start to Life 26
3.4. Out of Scope 27

4. Options Appraisal **28**
4.1. Overview of Options 28
4.2. Recommended Option 30
4.3. Integrated Commissioning Function 31

5. Project Approach **34**
5.1. Proposed Governance and Structure 34
5.2. Programme Organisation 35

6. Communication Approach **36**

7. High Level "Stage" Plan **36**

8. Value Analysis – Costs and Benefits **37**
8.1. Current Expenditure 37
8.2. Benefits: Improved Health and Wellbeing 40
8.3. Benefits: Organisational 43

9. Risks and Dependencies **44**
9.1. Risks and Impact 44
9.2. Dependencies 45
9.3. Constraints 45

An introduction to the Plymouth City Council's Transformation Programme and NEW Devon CCG Transforming Community Services Strategy

Context:

2002-12: A Decade of Improvement

The City of Plymouth has had an extra-ordinary journey over the past ten years. A decade ago, it had a reputation as a city of low aspiration with a lack of vision, weak financial and strategic planning, poor relationships between agencies, and service delivery arrangements that did not meet the needs of all of its citizens. An acknowledgement of the determined and sometimes inspired effort that was then made to improve the city came in 2010 when the Council was voted 'Highest Achieving Council of the Year' by the Municipal Journal. Behind that accolade, foundations had been laid by successive political administrations of a clear, ambitious vision for the city, sound financial management arrangements, the development of strong strategic partnerships and a determined focus on the improvement of service delivery. The Council has acknowledged and embraced its role as a key player in influencing the broader city and regional agenda, driving economic growth and making coherent contributions to broader policy-making.

Drivers for Transformation:

The Brilliant Co-operative Council with less resources
On its adoption of a new Corporate Plan in July 2013, the council set the bar still higher, to become a Brilliant Co-operative Council. This 'Plan on a Page' commits the Council to achieving stretching objectives with measurable outcomes, and also sets out a Co-operative vision for the Council, creating a value-driven framework for the way that it will operate as well as the outcomes that it is committed to achieve.

The Corporate Plan was developed using the principles of a Co-operative Council. It is a short and focused document, but does not compromise on its evidence base, and was co-developed with the Cabinet of the Council, before being presented in person by members of the Corporate Management Team to every member of staff throughout the council at a series of 74 roadshows. The positive results of this commitment to strong communications and engagement were evidenced by 81% of council staff responding to the workplace survey conducted in October 2013 agreeing that they understand and support the values and objectives set out in the Corporate Plan.

OUR PLAN THE BRILLIANT CO-OPERATIVE COUNCIL

CITY VISION

Britain's Ocean City

One of Europe's most vibrant, waterfront cities where an outstanding quality of life is enjoyed by everyone.

CO-OPERATIVE VALUES

One team serving our city

WE ARE DEMOCRATIC
Plymouth is a place where people can have a say about what is important to them and where they can change what happens in their area.

WE ARE RESPONSIBLE
We take responsibility for our actions, care about their impact on others and expect others will do the same.

WE ARE FAIR
We will be honest and open in how we act; treat everyone with respect; we will champion fairness and create opportunities.

WE ARE PARTNERS
We will provide strong community leadership and work together to deliver our common ambition.

OUR OBJECTIVES Creating a fairer Plymouth where everyone does their bit

PIONEERING PLYMOUTH	GROWING PLYMOUTH	CARING PLYMOUTH	CONFIDENT PLYMOUTH
We will be pioneering by designing and delivering better services that are more accountable, flexible and efficient in spite of reducing resources.	We will make our city a great place to live by creating opportunities for better learning and greater investment, with more jobs and homes.	We will promote a fairer, more equal city by investing in communities, putting citizens at the heart of decision-making, promoting independence and reducing health and social inequality.	We will work towards creating a more confident city, being proud of what we can offer and growing our reputation nationally and internationally.

THE OUTCOMES What we will achieve by this plan

PIONEERING PLYMOUTH	GROWING PLYMOUTH	CARING PLYMOUTH	CONFIDENT PLYMOUTH
■ The Council provides and enables brilliant services that strive to exceed customer expectations. ■ Plymouth's cultural offer provides value to the city. ■ A Council that uses resources wisely. ■ Pioneering in reducing the city's carbon footprint and leading in environmental and social responsibility.	■ More decent homes to support the population. ■ A strong economy creating a range of job opportunities. ■ A top performing education system from early years to continuous learning opportunities. ■ Plymouth is an attractive place for investment.	■ We will prioritise prevention. ■ We will help people take control of their lives and communities. ■ Children, young people and adults are safe and confident in their communities. ■ People are treated with dignity and respect.	■ Citizens enjoy living and working in Plymouth. ■ Plymouth's brand is clear, well known and understood globally. ■ Government and other agencies have confidence in the Council and partners: Plymouth's voice matters. ■ Our employees are ambassadors for the city and the Council and they are proud of the difference we make.

#Plymouth
www.plymouth.gov.uk/ourplan

The economic, demographic and policy environment affecting public services is accepted as the most challenging in a generation. At the same time as an aging population is placing increased demand on health and social care services, the UK is facing the longest, deepest and most sustained period of cuts to public services spending at least since World War II. The Council's Medium Term Financial plan identified in June 2013 funding cuts of £33million over the next three years which, when added to essential spend on service delivery amount to an estimated funding shortfall of circa £64.5million from 2014/15 to 2016/17, representing 30% of the Council's overall net revenue budget.

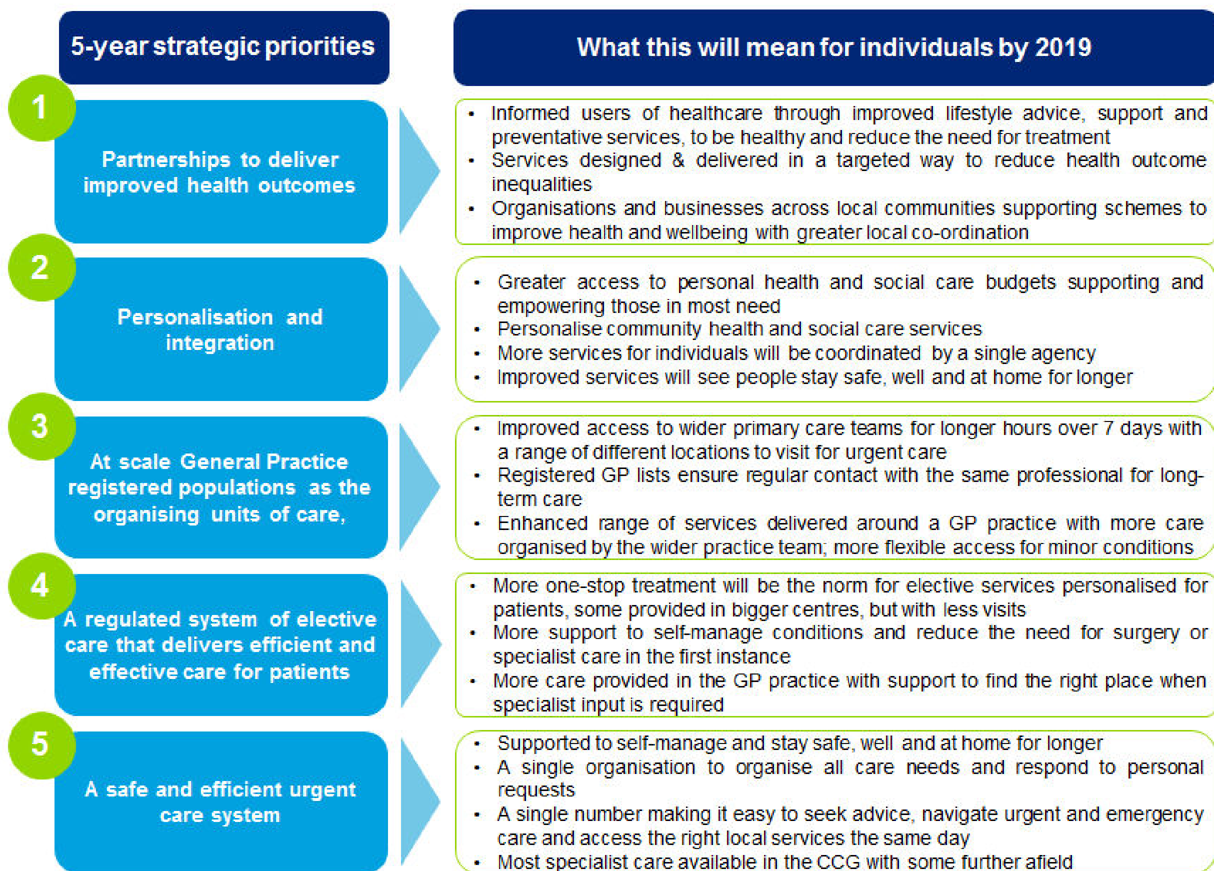
The Council has shown remarkable resilience in addressing reduced funding and increased demand in previous years, removing circa £30m of net revenue spend from 2011/12 to 2013/4 through proactive management and careful planning. However the Council has acknowledged that addressing further savings of the magnitude described above while delivering the ambitions of the Corporate Plan will require a radical change of approach.

Transforming Community Services:

NEW Devon CCG has initiated a programme, called Transforming Community Services, to remodel community health provision across each of its three localities. This programme aligns to the national Transforming Community Services programme, and the current programme plan involves the re-procurement of community services in Plymouth by April 2016.

The transforming communities consultation which has gathered feedback from people who use services and they described that they wanted 'Health care that does not stop at boundaries', services that see me as a person, not a condition', and 'safe and secure services with future proofing in mind'.

This engagement has resulted in the establishment of the key priorities which are depicted below:



Review of existing transformation programmes

The council commissioned Ernst and Young in June 2013 to:

- Examine the council's financial projections and provide expert external validation of our assumptions about costs and income in the medium term
- Review the council's existing transformation programmes and provide a view as to whether they will deliver against the Corporate Plan
- Provide advice as to how the council might achieve the maximum possible benefit through a revised approach to transformation

Ernst and Young validated the council's current Medium Term Financial Plan based on projections and assumptions jointly agreed, and judged it to be robust, taking into account the complex financial landscape and changing government policy.

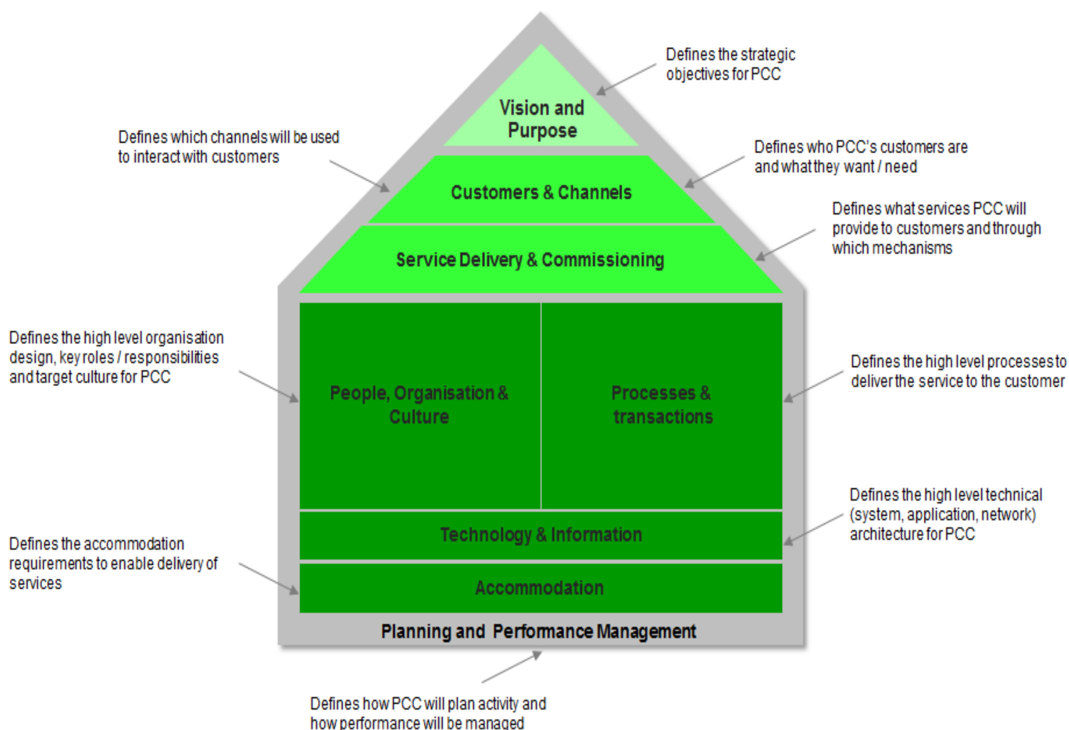
The council has initiated a number of far-reaching and ambitious change programmes over 2012-13 to address the twin aims of addressing financial constraints and improving service delivery. These include:

- Investment in Customer Transformation and Core ICT infrastructure (Cabinet approval September 2012)
- ICT Shared Services: DELT (Cabinet approval October 2013)
- Redevelopment of the Civic Centre and future accommodation requirements (Cabinet approval September 2013)
- Modernising Adult Social Care Provision (Cabinet approval January and August 2013)
- Co-location with Clinical Commissioning Group at Windsor House (Cabinet approval January 2013)

In addition to feedback and advice about individual programmes, the Council received advice that has been carefully considered, and which has informed the overall design of the Transformation Programme and the content of the business cases for the five programmes.

Vision and Direction: The Blueprint

The Council has responded to concerns that, despite strong support for the Corporate Plan from both officers and members, there was a lack of clarity about how the Corporate Plan translates into practical action and a danger that the council might be attempting to 'do the right things, but in the wrong way'. After significant consultation with Members and over 100 staff from all levels and disciplines within the organisation, the Council's vision for the Brilliant Co-operative Council has been translated into a Blueprint which describes the capabilities which the Council will need in the future. These capabilities will be commissioned by the council and will result in services being delivered by the Council and a variety of other organisations operating across the public, community and voluntary and private sectors. The components of the Blueprint are illustrated below:



To inform the development of the main components of the Blueprint, a number of principles have been developed co-operatively with Members, senior officers and staff to ensure that the values set out in the Corporate Plan guide how the Blueprint is developed.

There are 5 programmes to deliver the transformation.

Customer and Service Transformation: This programme will transform the way the council interacts with customers to meet their demands and preferences, and transform the services that the Council decides to retain in-house.

Co-operative Centre of Operations: Creating the business as usual strategic 'centre' for the Council, which uses the co-operative principles and intelligence to co-ordinate organisational decision making and activity.

Integrated Health and Well Being: The Council can engage with partners to deliver services at a lower cost, whilst also improving outcomes and customer satisfaction. The aim of the programme is to achieve "One system, one budget to deliver integrated, personal and sustainable care".

People and Organisational Development: The programme will enable the Council to define and deliver the required workforce and accommodation capability change.

The **Growth, Assets and Municipal Enterprise** programme has been developed to:

- Contribute to the growth of the City and the move towards a brilliant co-operative council.
- Generate and accelerate additional income for Plymouth City Council from economic and housing growth across the Council
- Create a brilliant co-operative street service which will :
  - Make operational changes to enhance service delivery
  - Provide evidence to design and deliver new service delivery models
  - Identify and deliver new opportunities for commercialism, new income streams

- Realise opportunities to bring in additional income from the commercialisation and increased trading of services.

1. BACKGROUND AND OPPORTUNITY

1.1 Background and Context

Plymouth City Council and Northern, Eastern and Western Devon CCG are facing a combination of severe budget pressures, and rising demand for services. The Integrated Approach to Health and Wellbeing Programme aims to engage with commissioning and delivery partners to establish a more collaborative, integrated and strategic approach to how the organisations commission and deliver services, with the aim of reducing costs, improving patient/service user experience and improving outcomes for residents in Plymouth. As part of this, the programme recognises the importance of investing in preventative and early intervention services in order to reduce demand on higher cost community and bed based services, particularly acute services, which have been under sustained pressure for much of the last 12 months. This approach fits with PCC's ambition of being a co-operative council, underpins the CCG's Community Services Strategy, and supports the ethos of collaboration set down by all partners and will help to achieve the Health & Wellbeing Board's vision of "Healthy, happy, aspiring communities".

1.2 Overview of Existing Situation

Within the People Directorate there is a Co-operative Commissioning Team which leads on much of the Commissioning across the directorate principally around Early Years, Children's Housing Related Support and Adult Social Care. However beyond this team, as the Ernst and Young Outline Business Case highlighted there is still a considerable amount of Commissioning activity undertaken in individual teams and service areas. This can lead to multiple strategic approaches and duplication of time and resources.

NEW Devon CCG was authorised to commission healthcare services from 1st April 2013. The authorisation to do this was granted by the NHS Commissioning Board on 6th March 2013 without conditions, which placed it in the top 20% of CCGs nationwide. Overall NEW Devon CCG is responsible for commissioning £1.1bn of healthcare services.

The CCG is organised around three localities: Northern, Eastern and Western. The western locality spans about 260 square miles and stretches from Lifton to Salcombe and Plymouth to North Bovey. More than 350,000 people live in the western locality and 18% of them (almost 63,000) are aged over 65 years compared with a national average of 16%. The Western locality and also the Partnerships directorate work across both Devon and Plymouth local authorities.

There are differences in the ways that both the CCG and PCC commission services which need to be recognised. The CCG organisational structure means that as a commissioning organisation, as well as having commissioning staff, there are also contracts staffs, finance support, communications and performance. In contrast Finance, Performance, Communications are centralised functions in Plymouth City Council.

Plymouth City Council has recently adopted a **Co-operative Commissioning** approach which is a new approach to planning and delivering public services. Cooperative commissioning is based on the values of being democratic, responsible, fair and partners. At the heart of the process are citizens and communities, which means that commissioning is co-developed, co-designed, co-produced and co-evaluated. In doing so there is a greater focus on outcomes, social value and creating a co-operative market. Such an approach will drive an integrated commissioning approach.

1.3 Defining Integrated Commissioning

A useful definition which captures the key elements of commissioning has been provided by the Audit Commission:

"Commissioning is the process of specifying, securing and monitoring services to meet people's needs at a strategic level. This applies to all services, whether they are provided by the local authority, NHS, other public agencies, or by the private and voluntary sectors" (2003)

Joint Commissioning has been defined as the process in which two or more organisations act together to co-ordinate the commissioning of services, taking joint responsibility for the translation of strategy into action. (North West Joint Improvement Partnership, November 2009). Whereas **Integrated Commissioning** takes the joint health and social care approach further, to encompass a wider range of partners, with the aim of addressing the complex needs of individual and communities in a holistic way.

Hudson[1] has helpfully described integrated commissioning as different to joint commissioning in terms of:

- Scale – from margin to mainstream
- Ambition – from single service to multi-service and systemic change
- Governance – from individual „charismatic lead to system-wide, transparent governance and accountability
- Stake holding – from few to many

Hudson further reports that integrated commissioning is being pushed by five factors:

- Efficiency / VFM – achieving efficiency through shared strategic planning and pooled budgets
- The Place Agenda – under Local Area Agreements, Total Place – local delivery focus
- Personalisation – to develop coherent services tailored to individual needs
- Prevention – to drive efficiency and improve individual's quality of life
- Care Closer to Home – integrated systems to enable more care closer to home

1. Hudson, B., *'Integrated Commissioning – The missing Link?'*, North West JIP and University of Durham, November 2009.

1.4 Opportunities and Outcomes

There are already strong relationships between the CCG and Plymouth City Council which can act as a solid foundation to support closer integration. Colocation has brought commissioning teams into the same building at Windsor House, and this has enabled the development of lead commissioning arrangements, some pooled budgets, joint commissioning partnership, joint commissioning strategies.

The outcome of this project will be a single, integrated and co-ordinated approach to commissioning across the social care and health system.

This single commissioning function will more easily enable investment to be targeted at a range of initiatives to develop out of hospital care, including early intervention, admission avoidance and early hospital discharge, preventing escalation of needs.

Established protocols and pathways to ensure clear governance agreements are in place will increase efficiency. The transparent performance and financial framework, supported by this joint governance, will ensure robust management of quality and costs.

Savings will be made through having shared management, system, overheads, etc. and financial risk sharing will also ensure value for money.

Providers will experience more integrated back-office support due to the removal of organisational boundaries, enabling flexibility and efficiencies. There will also be greater opportunity for providers to invest due to greater financial certainty.

In line with the strategic aims for integration set down by the Health & Wellbeing Board, the programme has the following five aims:

- Building on co-location and existing joint commissioning arrangements, the focus will be to establish a single commissioning function, the development of integrated commissioning strategies and pooling of budgets

- Integrated commissioning will provide the opportunity to commission an integrated provider function stretching across health and social care providing the right care at the right time in the right place.

- An emphasis on those who would benefit most from person-centred care such as intensive users of services and those who cross organisational boundaries

- A focus on developing joined up population based, public health, preventative and early intervention strategies

- An asset based approach to providing an integrated system of health and wellbeing, focusing on increasing the capacity and assets of people and place

2. PROJECT CATEGORISATION/STRATEGIC FIT

2.1 Strategic Case

Public sector organisations across the country are facing a combination of severe budget pressures and increasing demand for services. The NHS as a whole is committed to finding £20bn of savings from its budget by 2014/15, whilst Local Authorities are seeing budget reductions of approximately 26% as a result of this year's Comprehensive Spending Review, to go with a similar reduction implemented as part of the last Comprehensive Spending Review in 2010.

System wide changes will be needed in order to meet these combined challenges. Plymouth City Council (PCC) and Northern, Eastern and Western Devon CCG ('NEW Devon CCG' or 'the CCG') are looking to seize the opportunity created by sector wide reform, to create a vision for integrated commissioning and service provision that will help to improve outcomes, reduce cost in the system and align to the Health & Wellbeing Strategy.

It is widely recognised that there is no blueprint for integrated care, however, there is recognition that a whole system approach is needed. This means not only working across the whole of the local health, public health and social care systems but also working with other local authority services, key stakeholders, people and communities. This approach fits with PCC's ambition of being a co-operative council and supports the ethos of collaboration set down by all partners.

2.2 Local Strategic Drivers for Health & Social Care Integration

Local demographics and demand

The city of Plymouth has a population of approximately 260,000, which is projected to increase by 2.4% by 2017. The population of those aged 65 and over, who as a group are more likely to have long term conditions or social care needs, is projected to increase to 46,700 by 2016, an increase of 4.7%.

Public Health outcomes in Plymouth are worse than elsewhere in England in 28/32 of the measures shown in Plymouth's 2013 Health Profile and, according to Public Health England, the health of people in Plymouth is generally worse than the England average. Deprivation is higher than average and about 10,200 children live in poverty. Life expectancy for both men and women is lower than the England average. Estimated levels of adult 'healthy eating' and smoking are worse than the England average. Rates of sexually transmitted infections, smoking related deaths and hospital stays for alcohol related harm are worse than the England average.

The increase in population, and particularly the increase in older people, is likely to put significant strain on both health and social care services in years to come. Winter 2012/13 saw significant pressure on Plymouth Hospitals NHS Trust (PHNT), the main acute hospital in the region, with the hospital frequently being placed on black alert due to surges in demand. Unless significant action is taken to relieve pressure on admissions and increase the flow of discharges where possible, this pressure is likely to be present again this winter and in future years.

Financial imperative

At a local level there are considerable financial pressures. Plymouth City Council is committed to reducing spend by £65m over the next three years, of which approximately £16m may be allocated to reduced spend on Social Care service delivery.

In addition, the CCG is forecasting a 1% reduction in acute spend, and flat budgets for community and mental health services, in 2014/15. There are likely to be similar budget positions in future years and recently, Devon and Plymouth has been designated as one of eleven Financially Challenged Health Economies.

Therefore of key concern for both organisations is the on-going sustainability of the services and service quality in the face of the financial targets, and both organisations recognise that there is a need for a strategic and innovative response to achieve the level of savings required.

Health & Wellbeing Strategy

The Health and Wellbeing Board's vision is **"Happy, Healthy, Aspiring Communities"**. The purpose of the Board is "To promote the health and wellbeing of all citizens in the City of Plymouth". The Health and Wellbeing Board has set out three parallel core programmes to promote integration, with the aim of delivering healthy, happy, aspiring communities.

- Integrated Commissioning: Building on co-location and existing joint commissioning arrangements the focus will be to establish a single commissioning function, the development of integrated commissioning strategies and pooling of budgets.
- Integrated Health and Care Services: Focus on developing an integrated provider function stretching across health and social care providing the right care at the right time in the right place; and an emphasis on those who would benefit most from person centred care such as intensive users of services and those who cross organisational boundaries
- Integrated system of health and wellbeing: A focus on developing joined up population based, public health, preventative and early intervention strategies; and based on an asset based approach focusing on increasing the capacity and assets of people and place

Underpinning the board and its aims are three key principles of working together, which are:

- Working together and with those that the Board serves to take joint ownership of the sustainability agenda
- Ensuring systems and processes are developed and used to make the best use of limited resources
- Ensuring partners move resources (both fiscal and human) to the prevention, and health and wellbeing agenda

PCC Transformation Programme

Plymouth City Council has an extremely large funding gap which has the potential to increase over the next three years without significant intervention. A review of existing transformation work identified the following issues within the People Directorate which needed intervention in the guise of transformational change in order to achieve the objectives outlined in the organisation's corporate plan:

- PCC's adult social care service has gone through a major transformation but has not been fully integrated with health provision with services provided around the customer.

- Joint Commissioning is in place for some services but not all and there are opportunities to identify ways to achieve this and deliver value for money and more effective decision making.

- The cooperative commissioning centre of excellence has not been fully developed and there needs to be an agreed approach to integrated commissioning with health and other partners

- Services for children and young people could be integrated with schools, health and other partners in a more cost effective way which would deliver services cooperatively.

- Some social care services that Plymouth City Council delivers could be more cost effective if they were delivered in an alternative way.

The Fairness Commission Recommendations

The Plymouth Fairness Commission, launched in April 2013, was set up as an independent body to help make the city a fairer place to live and work. Chaired by Dame Suzi Leather, it was made up of professionals with a variety of expertise, including representatives from the police, health, private companies, charities, social enterprises and community groups.

Following the lead of other areas across the UK, Plymouth Fairness Commission made a number of recommendations to city leaders in March 2014, with the aim that they will be implemented across the city and reduce inequality. It is recognised that a systems leadership approach must be adopted to tackle the issues and recommendations raised by the Fairness Commission, which clearly aligns to the approach and principles of Integrated Commissioning.

PCC Corporate Plan – The Brilliant Co-operative Council

On its adoption of a new Corporate Plan in July 2013, the council set the bar still higher, to become a Brilliant Co-operative Council, in spite of decreasing resources. This 'Plan on a Page' commits the Council to achieving stretching objectives with measurable outcomes, and also sets out a Co-operative vision for the Council, creating a value-driven framework for the way that it will operate as well as the outcomes that it is committed to achieve.

Transforming Community Services

NEW Devon CCG has initiated a programme, called Transforming Community Services, to remodel community health provision across each of its three localities. This programme aligns to the national Transforming Community Services programme, and the current programme plan involves the re-procurement of community services in Plymouth by April 2016.

The transforming communities consultation which has gathered feedback from people who use services and they described that they wanted 'Health care that does not stop at boundaries', services that see me as a person, not a condition', and 'safe and secure services with future proofing in mind'.

Integrated, personal and sustainable- Community Services for the 21st Century- A Strategic Framework 2014

NEW Devon CCG strategic framework developed through Transforming Community Services engagement has set down the priority areas for a future integrated commissioning of services. These priorities are:

- Help people to stay well
- Integrate care
- Personalise support
- Coordinate pathways
- Think carer, think family
- Home as the first choice

2.3 National Strategic Drivers for Health & Social Care Integration

Many users of health and social care services experience care that is fragmented, with services reflecting professional and institutional boundaries when it should be co-ordinated around the needs of patients. This can result in duplication, inefficiency, gaps in care, feelings that 'no-one is in charge' and ultimately poor outcomes. This has been the context within which health and social care integration has been promoted as a model of care in recent legislation, policy and academic commentary by key stakeholders.

Research suggests current health and social care arrangements have failed to keep up with increasing population and patient expectations. It is clear that a more strategic approach needs to be taken to Health and Social care. The Kings Fund (*Transforming the delivery of Health and Social Care; The case for Change, September 2012*) has commented that partaking organisations should be prepared to de-commission outdated models of care, support NHS organisations to innovate and adopt established best practices; recognise the potential of new providers as an important source of innovation; develop a culture that values peer support for learning and innovation and encourage players at the local level to test new models of care.

Health & Social Care Act 2012

The Health and Social Care Act 2012 contains a number of provisions to enable the NHS, local government and other sectors, to improve patient outcomes through more effective and co-ordinated

working within the context of economic austerity. The Act provides the basis for better collaboration, partnership working and integration across local government and the NHS at all levels. The Bill identifies Clinical Commissioning Groups (CCGs) as being best placed to promote integration given their knowledge of patient needs, and the commissioning power to design new services around these needs. This is endorsed by early findings from the Department of Health's 16 Integrated Care Pilots (evaluated independently in the RAND report, 2012) which suggest that GPs in particular are taking on responsibility not only for the individual patient but also for that person's journey through the system.

The Care Act 2014

The Care Act takes account of the Dilnot Commission Report into the funding of care and support and the Law Commission report to codify Community Care law into a single piece of legislation. The Care Bill addresses the fact that the current social care system is inadequate, unfair and unsustainable. The Care Bill is designed to create a new principle where the overall wellbeing of the individual is at the forefront of their care and support. It also places a new duty on Local Authorities to promote integrated care, mirroring the duties in the Health and Social Care Act 2012. The Act makes it clear that this refers to housing, health and social care delivery/commissioning and not just health and social care. It will have profound delivery and financial implications, not just for social care but for the whole Council, through the new duty to assess self-funders, requiring a commensurate increased social work resource, and the new financial thresholds for care requiring the Council to track the care payments of people self-funders and step-in with financial support at a much earlier point than is currently the case.

The Better Care Fund

The Better Care Fund (BCF) is a 'game changer', according to the Department of Health. It creates a substantial ring-fenced budget for investment in out-of-hospital care and sees the establishment of a pooled budget of £3.8bn, which will be committed at local level with the agreement of Health & Wellbeing Boards. Investment should be targeted at a range of initiatives to develop out of hospital care, including early intervention, admission avoidance and early hospital discharge - taking advantage, for example, of new collaborative technologies to give patients more control of their care and transform the cost effectiveness of local services. This will require investment in social care and other Local Authority services, primary care services and community health services. CCGs and Local Authorities are required to develop a shared view of the future shape of services and a condition of accessing the money in the fund is that CCGs and local authorities must jointly agree an Integration Plan for how the money will be spent.

National Quality Board

In the context of a vastly changing NHS landscape, the National Quality Board has issued a report; *'Quality in the new health system; Maintain and improving quality from April 2013'* which describes how quality will operate in the new system. This will have implications for both health and social care organisations regarding how best to align these systems in terms of quality assurance.

3. PROJECT SCOPE

3.1 Integrating Commissioning

The integrated commissioning project aims to deliver an integrated approach to commissioning across the CCG and PCC, in order to affect system change, to improve outcomes for people and communities. The table below highlights the initial areas of both organisations that are considered in scope

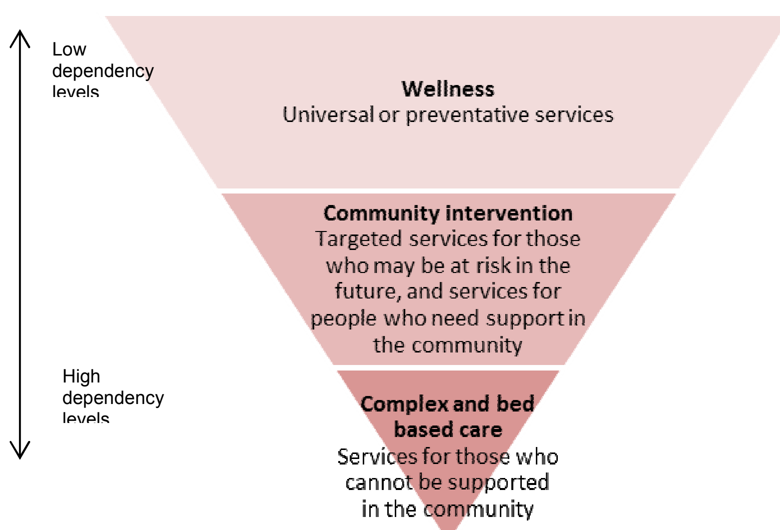
PCC	CCG
The following commissioning functions including but not limited to: Cooperative Commissioning Team; Homes and Communities including Community Safety ODPH Certain Policy and Performance elements	Western Locality (Plymouth facing); Partnerships (Plymouth facing) Potentially other commissioners and support services who work predominantly in Plymouth/Western Locality

As an initial step towards establishing a more integrated approach to commissioning Plymouth City Council will complete a review of its own Commissioning approach first. Presently Commissioning across the People directorate is still often undertaken by individual departments and team which can lead to duplication and lack of strategic planning. The aim of the review will be to reduce duplication, clarify roles and bring commissioning for People into one co-operative commissioning unit. The process is likely to lead to a reduction in roles and change competencies and skill sets of staff.

3.2 Integrating Delivery through Commissioning

Integrated commissioning is not an end in itself and the primary driver of this project is to improve service delivery and provision with the aim of improving outcomes and value for money. Integrated commissioning must deliver integrated wellbeing.

In order to achieve a more holistic and integrated provision services have been grouped into three categories, which correspond to differing levels of need and complexity.

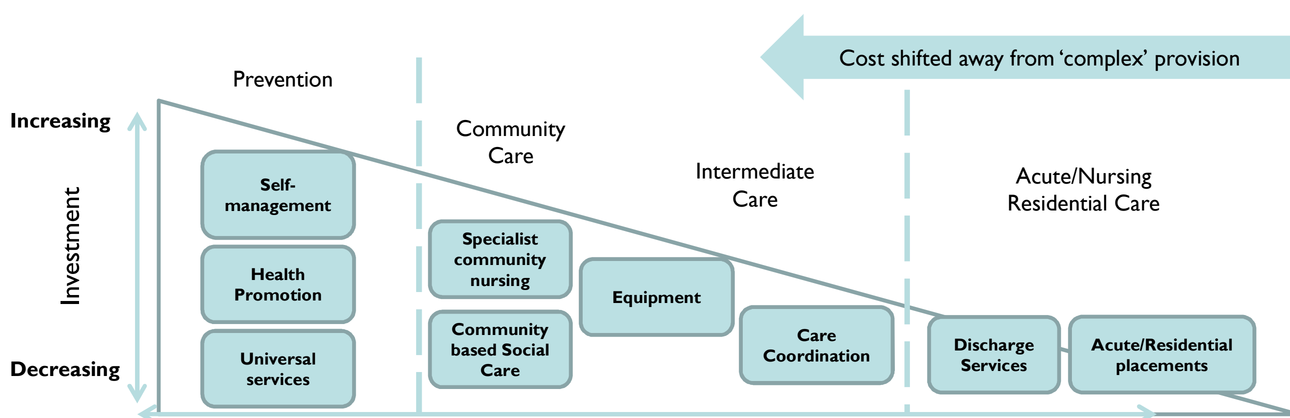


The top of the triangle represents patients or service users with lower levels of need and therefore lower levels of dependency on Council and CCG services. The bottom of the triangle represents service users with higher levels of needs and higher levels of dependency. Services are mapped to this framework to provide a common baseline of services in scope:

- *Wellbeing* - Universal or preventative services. This includes many Public Health services, such as smoking cessation and sexual health campaigns, and PCC services that do not require a FACS assessment. The category also includes early years prevention and early intervention services, and best start to life services
- *Community intervention* - Targeted services for those who may be at risk in the future, and services for people who need support in the community. This includes community nursing, domiciliary care and supported living
- *Complex and bed based care* - Services people with complex needs, who cannot be supported in the community. This includes acute, residential and nursing care

The scope of the programme will cover a range of services currently commissioned or provided by PCC's People Directorate, and a range of services that are commissioned by the Western Locality and Partnerships Locality of NEW Devon CCG.

It is important to recognise that, although there may be some services which will not be redesigned and will continue to be delivered in the same or a similar way, it is likely that changes in other parts of the economy will have an impact on the demand and spend in these services areas. This project will develop three co-dependent commissioning strategies with the intention that integrated commissioning activity is to move the balance of spend away from Complex provision towards services in Community and Wellbeing, in order to manage the demand and avoid costs incurred:

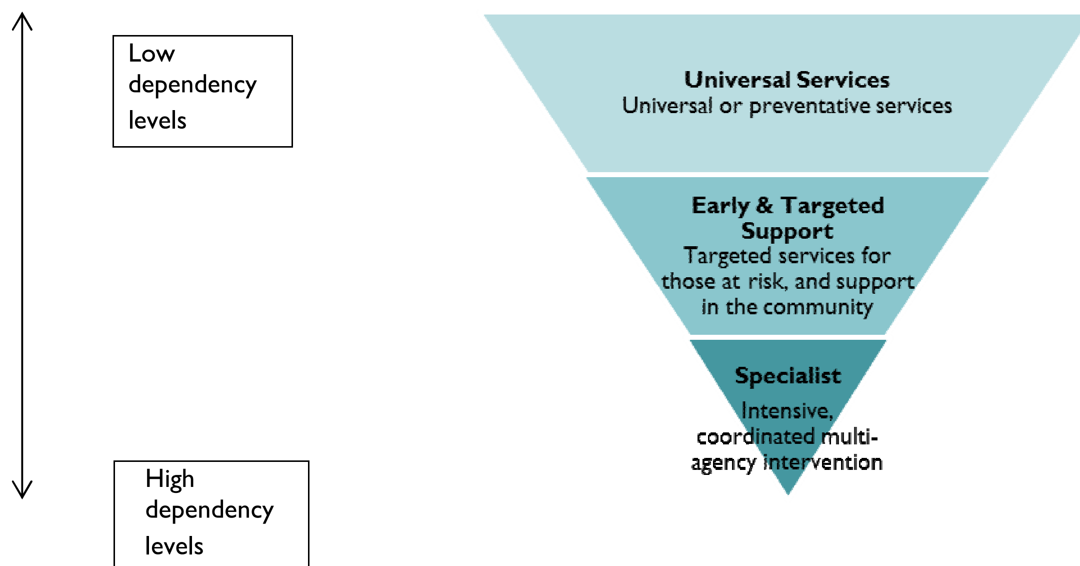


In redesigning the system the following principle will remain central-

- Help people to stay well
- Integrate care
- Personalise support
- Coordinate pathways
- Think carer, think family
- Home as the first choice

3.3 Integrated Commissioning for the Best Start to Life

Integrated commissioning will also have a key role in ensuring that every Child in the City achieves the Best Start to Life. In doing so it is recognised that similar whole system approach to Children's and Young Persons Services needs to be adopted, based on the following model.



In order to make this step change towards delivering enhanced prevention and early intervention capability, then NEW Devon CCG and PCC are committed to the pooling of budgets and the developing of an overarching Commissioning Strategy. Working through the Co-operative Children and Young People's Services transformation work stream priority areas for redesign have been identified in the following areas-

- Development of the Cooperative Community Partnership and the five cluster components
- Family Support Review
- Review of Youth Services

- Implementation of Children Social Care Service Redesign Pilots
- Early Help Coordination Unit
- SEND reforms

Co-operative commissioning principles and values will be central to the Children's Services redesign however the detailed implementation is subject to a separate business case.

3.4 Out of scope

The scope of the programme will not include certain Children's Social Care services (including assessment and case management of Looked After Children or those subject to a Child Protection Plan) that are currently provided in-house by PCC, although it will include the budget for commissioned children's services (e.g. Looked After Children placements).

The programme will not include in its scope any services commissioned by the Northern or Eastern Localities of the CCG, or any services commissioned by the Western or Partnerships Localities where there is an obvious geographical disconnect between the service commissioned and Plymouth city boundaries (e.g. mental health services in Devon County Council's area).

GPs and Primary Care services are assumed to be out of scope initially, although strong links to these providers will need to be maintained to engage them throughout the process of developing the new operating model for health and social care provision. The scope may be widened to directly include these services if a change in commissioning responsibilities for these (CCG co-commissioning primary care with NHS England) takes place within the timescale of this programme.

Other public sector commissioning organisations such as Police and Crime Commissioner, Probation, NHS England or other neighbouring Local Authorities, are presently out of scope however the programme will retain the flexibility to incorporate other public bodies at any stage if efficiencies and outcomes would be improved.

4. OPTIONS APPRAISAL

4.1 Overview of Options

All potential options for the structure of an integrated commissioning function were developed through the Outline Business Case process.

These options have been considered in detail through a range of different mechanisms including:

- Integrated Commissioning Project Board Meetings
- Specialist advice from subject matter experts (e.g. HR, Legal, Finance)
- Options Appraisal Workshop attended by stakeholders
- Discussion at individual management team meetings
- Written feedback
- Research into other commissioning models / L.As / good practice (e.g. Commissioning for Social Value Conference)

Through this process, strengths and weaknesses of each option were identified against a range of evaluation criteria, including how person-centred the approach is, viability from a HR/Legal point of view, financial aspects and sustainability.

The below table summarises the perceived benefits and risks of each of the options that were identified (N.B. The perceived benefits of option 1 and 2 culminate in option 3 also):

Scope of Opportunity	Option	Perceived Benefits	Perceived Risks
Minimum	Commissioners come together with shared line management but commissioning budgets remain separate	• Budget reduction through reduced management function • Ability to retain control of own organisation spend • Commissioners can be aligned to particular services/groups of services to manage total spend • Potential for 'cross-fertilisation' through commissioners sharing skills and expertise across service areas • Support joint commissioning, maintains expertise and ensures relationship management across partners	• No oversight of complete budget so unable to manage integrated spend strategically • Potential risk of destabilisation as organisations can still act independently • Providers have to deal with more than one organisation to discuss contracts • Commissioners can retain a 'silo' mentality Low ability to extend to include further organisations

		Can develop consistent approach	
	Commissioners come together with shared line management and pooled commissioning budgets (for services in scope of integration) but employer remains the existing organisation	• Budget reduction through reduced management function • Strategic and operational oversight of complete integrated budget so can plan effectively • Minimise transactional costs of moving staff across organisations • Minimise risk of challenge on grounds of TUPE Legal agreement binding pooled budget to promote stabilisation	• Retention of original employer may create artificial barriers, preventing holistic service delivery • Can cause operational confusion through different T&Cs
	Commissioners and pooled budgets transfer into one existing organisation (via TUPE), thereby changing employer for some staff	• Alignment of roles and grades across the function • Budget reduction through reduced management function • Strategic and operational oversight of complete integrated budget so can plan effectively • Single organisation is responsible for all commissioning – simpler for providers • Greater opportunities for career specialisation and progression for staff Could be divested into a separate entity at a later date	• Will require robust shared governance • Receiving 'host' organisation assumes superior position in decision-making • Loss of influence by transferring organisation • Potential for destabilisation if trust breaks down between the two organisations • Potential negative impact on staff T&Cs • Risk of challenge over redundancies if TUPE follows a restructure Transactional time and cost of transferring staff
Maximum	Commissioners and pooled budgets come together to create a new commissioning entity with potential to grow in terms of geography, scope and partners	• Potential to sell services to other organisations/broaden remit of commissioning function • Potential to broaden membership to other organisations • Perception of independence makes partners equal • Strategic and operational	• Cost of creating a new entity • Cost of overheads of operating a new entity • Potential increased procurement costs • Lack of accountability for the commissioning entity • Potential challenge under terms of 'state aid' Perception of 'outsourcing'

		oversight of complete integrated budget so can plan effectively • Single organisation is responsible for all commissioning – simpler for providers Greater opportunities for career progression for staff	the commissioning function is politically unsavoury

Given the stated ambition of Plymouth City Council and NEW Devon CCG to achieve a step change in the way public services are planned and delivered, a key finding of the options appraisal process was that only three of the four are now considered to be a possibility. The minimum scope of opportunity has been rejected due to the level of integration not being sufficient enough to deliver the desired outcomes and the significant and time-critical budget pressures facing the two organisations.

Option 1	Option 2	Option 3
Commissioners come together with shared line management and pooled commissioning budgets (for services in scope of integration) but employer remains the existing organisation	***Commissioners and pooled budgets transfer into one existing organisation (via TUPE), thereby changing employer for some staff*** ***(PCC lead or CCG lead)***	***Commissioners and pooled budgets come together to create a new commissioning entity with potential to grow in terms of geography, scope and partners***

4.2 Recommended Option

Partners are committed to improving services and outcomes for individuals and communities and recognise that to achieve this, a commitment to option 3, therefore achieving the largest scale of commissioning change possible is required. However, it is also recognised that due diligence will need to be undertaken, with measurable steps along the way.

Therefore in order to build momentum to achieve change at scale and pace it is recommended that Option 3 is achieved, with Option 1 progressed between now and March 2015, acting as a transitional option. The options appraisal concluded this recommendation because it:

- Will maximise the opportunity to deliver a truly joint up approach to delivering services and meeting individual needs, consequently improving health and wellbeing outcomes for the people of Plymouth
- Enables most efficient use of resources

- Allows maximum oversight of budget and systems
- Simplifies governance and accountability structures

Whilst also mitigation against key risks identified, which were:

- Staffing discrepancies across different organisations
- Protects against future organisational changes
- 'Silo' mentality working

4.3 Integrated Commissioning Function

Presently NEW Devon CCG and Plymouth City Council have different approaches to commissioning and have consequently structured commissioning delivery differently. Part of the Integrated Commissioning Project will be to map the "as is" process of both organisations, build on best practice and work with staff and stakeholders to co-produce and co-design a new commissioning function. The component parts of the new function are not at this stage known however a useful guide of what an integrated commissioning function may contain has been provided by Institute of Public Care

Areas	Integrated approaches, objectives, plans, decisions, and actions are arrived at through a single organisation or network.
Purpose and Strategy	• Inclusive planning and decision process as an integral partner • A transparent relationship between integrated bodies • Single agency with one commissioning function
Stakeholder Engagement	• A single team is responsible for systematic planning and delivery of provider consultation to inform a single strategy.
Needs and Market Intelligence	• Single projects undertaking needs and market analysis and using these to inform commissioning and contracting priorities. • Single research, analysis, public health teams.
Resource allocation and management	• Pooled budgets within a single agency or network, to meet combined needs identified for the population.
Market management and monitoring	• Integrated monitoring and review arrangements that result in a shared understanding of the effectiveness of current services and the evidence for changes in the future.
Contracting	• Single function responsible for managing contracts to meet a single commissioning agenda.

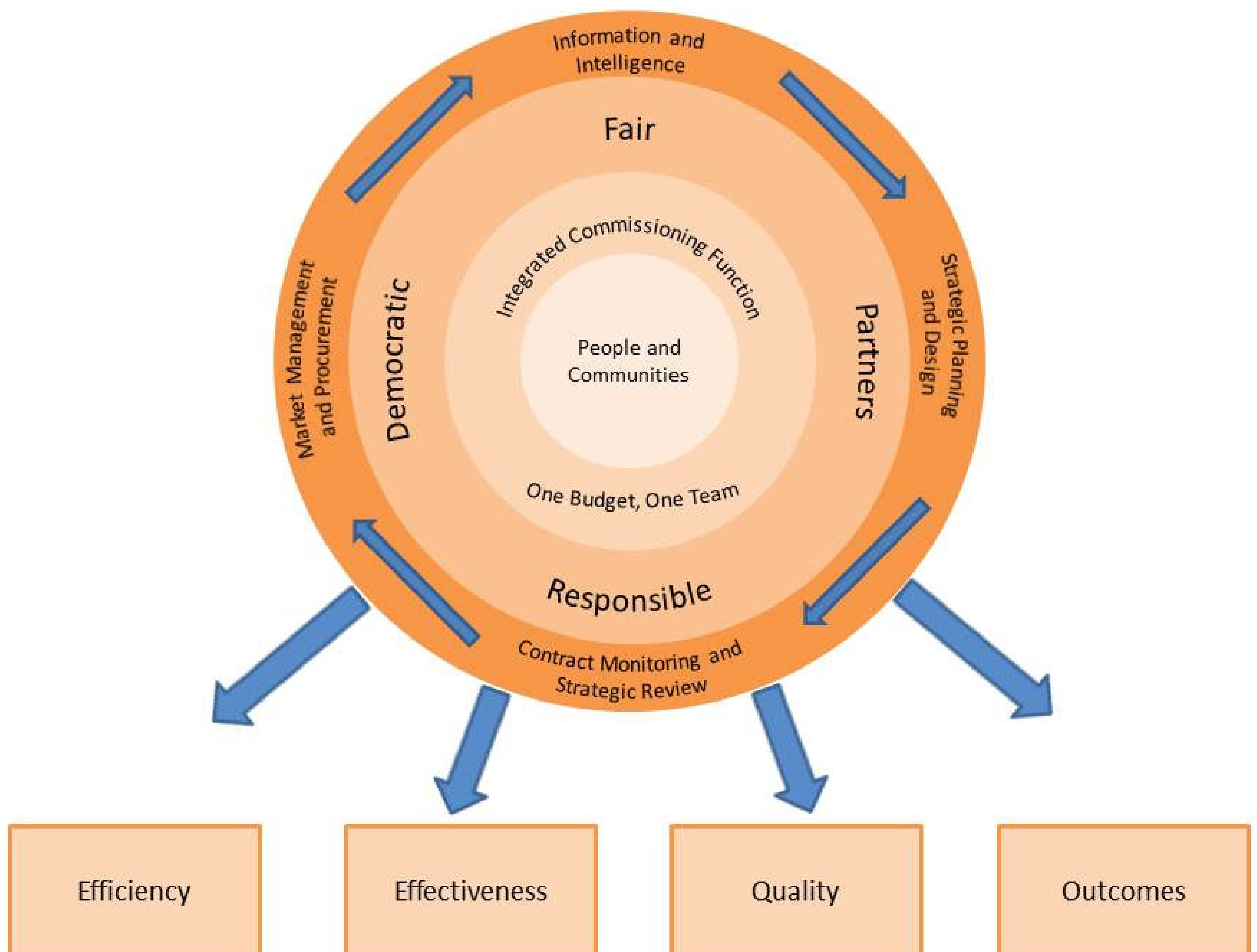
Commissioning Functions	• Integrated commissioning function, e.g. a single manager with responsibility for managing commissioning and contracting within a single organisation or network.

Fundamental to the new commissioning function will be an enhanced role for an integrated intelligence function that will drive prioritisation of resources, evidence based interventions and innovative models of care and support.

Underpinning this design will also be a commitment to organisational development by supporting the emergence of core competencies, skills and behaviours necessary to make integrated commissioning sustainable and successful.

And of course at the heart of this commissioning approach will be co-operative values of being democratic, responsible, fair and partners.

Based on these factors the following diagram illustrates the potential design of the integrated commissioning function:



Governance and risk sharing arrangements will be developed during the delivery phase during the period September – October 2014.

Extensive legal input will be required during the next phase of the project.

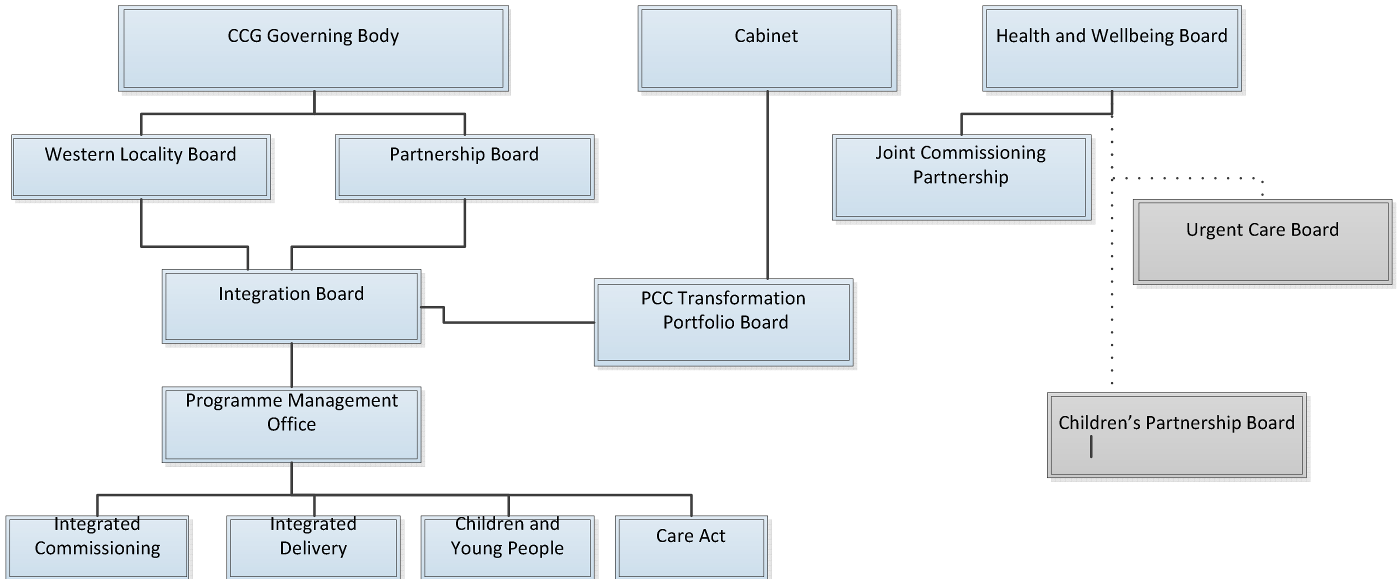
Transformation Portfolio Assurance and Enterprise Architecture

Formal sign off to the project will be granted in November 2014 following detailed design and project plan development.

5. PROJECT APPROACH

5.1 Programme Organisation

The programme has the following governance structure:



This is the indicative role and membership of the new HWB Integration Programme Board and its relationship with other governing bodies. Size and composition are built to enable swift change and can be supplemented to broaden representation:

HWB Integration Board

Responsible for steer and sign-off of programme initiatives

Members:

- MD- Western Locality, CCG (Vice-chair & SRO)
- Director of People, PCC (Vice-chair & SRO)
- Director of Public Health
- Chair of CCG
- MD – Partnerships, CCG
- AD - Joint Commissioning, PCC
- AD - Education, Learning & Families, PCC
- Area Team representative, NHS

Project groups

Responsible for designing solution, identifying benefits, resource requirements and delivering the projects

PCC Portfolio Board

Responsible for ensuring compliance with overall transformation blueprint and monitoring delivery and benefits

NEW Devon CCG Board

Responsible for ensuring compliance with overall CCG requirements and monitoring delivery and benefits

Programme Management Office

Responsible for co-ordination of the transformation projects

Health & Wellbeing Board

Responsible for oversight of transformation programme and ensuring alignment with other initiatives and H&WB strategy

Joint Commissioning Partnership

Responsible for BAU commissioning during transformation, but after can merge with HWB Integration Board

Urgent Care Board

Responsible for oversight of BAU functions for urgent care delivery

Children's Partnership Board

Responsible for BAU function but reporting into the Health & Wellbeing Board for oversight

The following table provides an overview of the responsibilities of each of these bodies in relation to the HWB Integration Programme:

Programme Activity	PCC transformation	CCG Board	HWB	Integration	PMO	Project Group
Ensure alignment to transformation blueprint						
Ensure alignment to NEW Devon CCG priorities and strategy						
Ensure alignment to Health & Wellbeing Strategy						
Set programme vision and strategy						
Define Programme Scope						
Identify improvement opportunities						
Design solution & plan						
Identify investment & resource requirements						
Sign-off on investment, plan and resources						
Deliver project initiatives						
Report on progress, benefits and risks						
Monitor progress against plan						
Manage integration interdependencies						

5.2 Proposed Governance & Structure

Senior Responsible Officer: Carole Burgoyne (PCC), Jerry Clough (NEW Devon CCG)

Project Executives: Nicola Jones, Craig McArdle

Programme Manager: Craig Williams

Project Managers: Anna Coles, Lynne Kilner

Project Support: Alex Mehaffey

Finance: Paul Hardwick, Ben Chilcott

Business Architect: Mark Appleby

Communications: Nicola Morgan, Sam Sposito

Business Change: Lisa Woodman

Legal: Linda Torney

HR: Emma Rose

6. COMMUNICATION APPROACH

A Communications Plan for the Project and Programme has been developed jointly by The CCG and PCC. This will form the basis of the overarching communication strategy for this project, which will be continuously developed. Key activities in relation to this project include:

- Briefings and workshops with Members and GPs
- Communication Sessions, with Staff, Stakeholders and Partners
- Regular written and face to face briefings
- Co-design workshops with staff

7. HIGH LEVEL ROAD MAP TO INTEGRATING COMMISSIONING

Activity	Timeframe
Approval of Detailed Business Cases Cabinet (PCC) NEW Devon CCG Governing Body	 15th July 2014 16th July 2014
Development of Project Initiation Document	June- July 2014
Mapping of "As Is" Commissioning Process	June-July 2014
Establishment of shadow Leadership Board and development of shadow budgets	June 2014
Consultation and Engagement with staff	June 2014 - Onwards
Consultation and Engagement with partners	June 2014 - Onwards
Review of Commissioning Activity across the whole of the People Directorate	July- August 2014
Redesign and Remodel PCC People Co-operative Commissioning Hub	September 2014
Design of competencies, skills and behaviours matrix	September-October 2014
Member and GP Governance Workshops	September 2014
Develop New Integrated Commissioning Governance Architecture	September – October 2014
Develop Section 75 agreement	September – October 2014
Section 75 to Cabinet	November
Design function and form of new Commissioning Organisation	September – October 2014
New Integrated Commissioning Function in place	March 2015
Develop of Commissioning Strategies (bed based/communities/wellness)	Now - March 2015

Commissioning in line with Strategic Framework	2015-2016
Development of Integrated Commissioning Organisation	2015-2016

8. VALUE ANALYSIS – COSTS, BENEFITS & RISKS

8.1 Finance Commentary

1) Figures detailed in the outline business case for integrated commissioning were indicative figures based on the evidence and research provided by Ernst Young. The financial benefits envisaged over the three financial years of 2014/15 to 2016/17 are detailed in the table below and have been built into the council's three year balanced budget (as approved by Full Council in February 2014).

Financial benefits as detailed in 3 year balanced budget

	2014/15 £000	2015/16 £000	2016/17 £000	Total for 3 years £000
Integrated Health & Wellbeing budget savings (PCC element only)	1,500	5,900	9,500	16,900
Planned savings attributable to 'integrated commissioning' strand	325			

2) Financial benefits from this programme clearly accrue for both Plymouth City Council and the Clinical Commissioning Group in terms of how we join up our services and focus on the combined right outcomes for people. Savings mainly relate to two key areas:

   (a) Staffing and administrative savings through integrating commissioning teams. We will drive savings by rationalising management and streamlining process and supporting systems to reflect best practice resulting in improved operational efficiencies and;

   (b) Adopting smarter practice on how, and what we commission. Focused around supporting people in the community, investing more in self enabling, early intervention and preventative services and reducing spend on traditional council and health run services.

3) Due to the complexity of integrating two large commissioning functions, implementation will be phased in a structured way. Within this financial summary we have detailed a potential range of savings linked to each phase of implementation. Savings are calculated using 2014/15 approved revenue budgets as a base. It is difficult at this stage to determine the exact split of financial savings between PCC and CCG. For modelling purposes, we have applied a standard percentage range for each organisation until the future shape of commissioning is better defined. These percentages will be tested and updated as we progress through the implementation.

4) Clearly, the level of combined spend and service commissioning offers an opportunity to drive significant financial and non-financial benefit. However, it should be noted that both organisations are facing considerable financial pressures whilst operating as single entities. These pressures will remain under close scrutiny to ensure that financial savings are fully delivered against 2014/15 base budgets as opposed to just absorbing spend from increased demand.

5) Staffing rationalisation and driving efficient operations. The integration between the two organisations will phase in from the 2015/16 financial year. Within 2014/15, both organisations will refine and re-align their existing practices and structures in preparation for the integration.

Integrated Commissioning – estimated staffing savings

Staffing	Existing spend £000	2014/15		2015/16		2016/17	
		Lower @ 2% £000	Higher @ 5% £000	Lower @ 5% £000	Higher @ 8% £000	Lower @ 7% £000	Higher @ 10% £000
PCC 14/15 base	1,629	32	81	81	130	114	163
CCG 14/15 base	tbc	tbc	tbc	tbc	tbc	tbc	tbc
Total savings							

6) The biggest bulk of spend, and therefore associated savings are the actual commissioning budgets relevant to this transformation programme. For PCC, our base budget for 2014/15 amounts to £22.2m with a further XXXm attributable to the CCG.

7) We will be working to pool all resources and budgets for the provision of:

(a) Wellness services;
(b) Community intervention;
(c) Complex and bed based care (excluding acute);

8) There are a range of planned activities that will deliver financial benefit through integrated commissioning. At this stage, we have not assigned a financial value to each specific activity, but have specified a range of potential savings based on phased implementation of all of the planned actions across the three years. The core activities that will deliver the savings are:

- In 2014/15 both organisations will constructively review and challenge existing contracted spend to include rationalisation of smaller contracts where relevant;
- Integrating well-being commissioning strategies will be co-designed, developed and implemented;
- Integrating health and social care community delivery;
- Providing high cost support to complex needs cases will be reviewed and modified;
- Out of area placements will be reviewed to evaluate more local, cost effective solutions whilst focussing on improving the level of care provided;
- Integrated strategies will retain a focus on reducing demand for high cost residential, nursing and hospital placements – placing a greater share of resources to early intervention, preventative services and enabling support;

9) The introduction of Telecare / Telehealth systems will also deliver significant financial benefits having proven to reduce visits to GPs by up to 69% and hospital admissions by up to 50%. Implementation of such self-management systems will commence in 2015/16.

10) Our estimated range of non-staffing savings attributable to the integrated commissioning project are detailed below:

Integrated Commissioning – estimated non- staffing, commissioning savings

Commissioning function	Existing spend £000	2014/15		2015/16		2016/17	
		Lower @ 1% £000	Higher @ 2% £000	Lower @ 3% £000	Higher @ 7% £000	Lower @ 8% £000	Higher @ 12% £000
PCC 14/15 base	22,167	222	443	665	1,552	1,773	2,660
CCG 14/15 base	tbc	tbc	tbc	tbc	tbc	tbc	tbc
Total savings							

11) The combination of the potential savings across the integrated commissioning project and the wider health and wellbeing transformation programme has the potential to exceed the transformation benefit figures stated in PCC's 3 year balanced budget. However, based on existing increasing trends and complexity in client demand, it will be essential for the programme to over-achieve in order to offset escalating spend in both health and Adult Social Care. Resource assumptions and re-profiled client trend data will be fed into a refresh of the council's medium term financial strategy in September 2014.

8.2 Benefits- Improved Health and Wellbeing Outcomes

A fundamental aim of the Integrated Commissioning Project is to drive system improvement to deliver improved outcomes for individuals and communities. Key measures that the project will impact on are set out below, including those in the BCF;

Category	Performance Measure	Baseline data and target	
Community	Permanent admissions of older people (aged 65 and over) to residential and nursing care homes, per 100,000 population		To achieve the forecast reduction by 2016/17 equating to a 13% reduction in the rate per 100,000
Community	Estimated Diagnosis rate for people with Dementia		To achieve the national target of 60%
Community	Social Care related quality of life		To achieve a 5% improvement in quality of life score
Community	Proportion of older people (65 and over) who were still at home 91 days after discharge from hospital into reablement / rehabilitation services		To achieve Better Care Fund targets and return to 90% rehabilitation success
Bed Based	Delayed transfers of care from hospital per 100,000 population (average days per month)		Target - To reduce and return to national average by 2016/17
Bed Based	Avoidable emergency admissions		To maintain performance

Category	Performance Measure	Baseline data and target	
Bed Based	30 day readmissions		To achieve a 4% reduction
Childrens	Number of Children in Care - Overall		To achieve Children Social Care business targets for the next three years.
Childrens	Number of Children in Care - Independent		To achieve Children Social Care business targets for the next three years.
Childrens	Number of Children with a Child Protection Plan		To achieve Children Social Care business targets for the next three years.
Wellbeing	Self Reported Wellbeing - People with a low satisfaction score		To decrease and better the national and regional averages based on responses to ONS well-being survey.
Wellbeing	Self Reported Wellbeing - People with a low worthwhile score		To decrease and better the national and regional averages based on responses to ONS well-being survey.

Category	Performance Measure	Baseline data and target	
Wellbeing	Self Reported Wellbeing - People with a low happiness score		To decrease and better the national and regional averages based on responses to ONS well-being survey.
Wellbeing	Self Reported Wellbeing - People with a high anxiety score		To decrease and better the national and regional averages based on responses to ONS well-being survey.
Wellbeing	Emotional Wellbeing of looked after children		To maintain performance above the national and regional averages
Wellbeing	Excess weight in 4 - 5 year olds		To halt the increase of excess weight in childhood (reception) in Plymouth and then decrease it by 5.4% by 2021/22. Measured as a %
Wellbeing	Excess weight in 10 - 11 year olds		To halt the increase of excess weight in childhood (year six) in Plymouth and then decrease it by 15.3% by 2021/22. Measured as a %
Wellbeing	Smoking prevalance in adults		To decrease smoking prevalence in Plymouth by 24.4% by 2021/22

Category	Performance Measure	Baseline data and target	
Wellbeing	Alcohol related admissions to Hospital	800, 700, 600, 500, 400, 300, 200, 100, 0 — 2010/11, 2011/12, 2012/13, 2013/14, 2014/15, 2015/16, 2016/17 — Plymouth, Forecast	To reduce admissions and achieve target set in 2014/15 using new national recording methodology

8.3 Benefits – Organisational

As well as delivering efficiencies and improved outcomes the project aims to deliver on a number of organisational ambitions:

For the workforce

- Providing greater and more flexible career opportunities and ability for up skilling/ skills transfer between professionals
- Integrated workforce plan designed to deliver service strategies
- Fewer barriers to effective decision making
- Ability to focus on delivering support to citizens
- Focus on culture change, empowering staff to take ownership of delivering high quality services

For commissioners

- Established protocols and pathways to ensure clear governance arrangements are in place
- A system that is accountable to users and has been designed with their involvement
- Joint investment in early identification, prevention and early intervention to prevent escalation of needs
- Financial risk sharing arrangement to ensure value for money
- Transparent performance and financial framework supported by joint governance to ensure robust management of quality and costs
- Development of strong working relationships between community services, acute services and Primary Care through implementation of Integrated Case Management

For providers

- Critical mass of services to enable flexible use of resources
- Opportunity to invest due to greater financial certainty and delivery flexibility
- Increasing productivity and accelerating improvements in service quality through working with all stakeholders to redesign services.
- Reducing waste in the system through eliminating the amount of duplication
- Making better use of community assets due to flexibility and removal of organisational boundaries
- More integrated back-office and support function to provide seamless support and enable efficiencies
- Simplified contracting arrangements and more focus on effective delivery

8.4 Benefits- Project End State

The project aims to bring about the following step change in the way services are commissioned and delivered and at the end of the project the following distinct elements will be in place:

- **Single commissioning**: Commissioners from both organisations will work together to produce single service specifications for the delivery of services funded from a single integrated budget.
- **Single decision-making**: Senior managers and clinicians from the local authority and CCG, guided by the Health and Wellbeing Board, will make evidence based and informed decisions together rather than as separate organisations.
- **Commissioning will be co- designed and co-produced with people, communities, and providers including** voluntary sector organisations and GP Practices: We need to work together to develop our providers and engage with GPs in Plymouth's communities.
- IT systems will work and speak to each other across organisational boundaries.
- "Whole system' measures of success will drive the integrated commissioning of services.

What will people in Plymouth see as a result?

- Easier and earlier access to services that promote wellbeing or that provide help in a crisis
- People empowered to take control of their own health and wellbeing
- Local communities in Plymouth are increasingly supported by strong links between GPs, schools, social workers and community organisations, which helps people like them to stay independent for longer.
- Older people who have come out of hospital are helped to stay at home.
- Families and carers will not have to chase professionals or ask them to talk to each other.
- Children with a learning disability and their families and carers are supported in managing their needs and can trust that when they turn 25 they will continue to receive the support they need.
- Developing social capital that enhances the lives of people in Plymouth through providing local resources that support a greater emphasis on prevention and early intervention.

9. RISKS AND DEPENDENCIES

9.1 Risks & Impact

Risk Description (A short summary of the event)	Current Risk Rating	Actions to reduce risk to target
Savings delivered from the integration are not sufficient to meet the funding gap		Scrutiny and validation of the business case, and the projected benefits in further phases Account for optimism bias in financial model when developed
Staff/union resistance to the proposed changes and service redesign		1. Early consultation with Unions 2. Union representation at key workshops.
Difficulty in securing agreement across the partners to service redesign causes delay in delivery leading to savings targets being leaked, and delaying benefits realisation		1. Areas of potential disagreement highlighted and discussed early in the process 2. Identification of key decision makers and a dispute resolution process 3. Formal agreements and protocols in place to enable teams to work together
Multiple parties involved leading to partial support for business case or different decisions being made, which delays implementation		1. Key stakeholders identified at the start of the project and engaged regularly 2. Communications plan in place and key stakeholders provided with regular updates
Assumptions made will be wrong due to baseline data not being robust and so the business case is undermined		1. Validation of the baseline data finance, the savings opportunities by service professionals 2. Validation and ownership of the financial model by finance and service areas
Statutory, regulatory or political differences between Health and Social Care or partners lead to tensions (e.g. footprint of NEW Devon CCG will delay approval of business case and implementation)		1. Potential areas of conflict identified early and formal protocols or agreements put in place
New legislation introduced which impacts on plans (e.g. Care Bill and Dilnot)		1.Remain well-informed of policy and legislative developments and build in necessary changes early and challenge solution development
Negative impact of procurement or tax requirements on new delivery mechanism, for example VAT regulations		1. Consider likely impact of during the Options Appraisal process if new delivery vehicles/alternative structures are considered
Legal challenge regarding competition, contracting and procurement		1. Ensure notice periods to providers are duly followed and all consultation is documented
Resources required to deliver integration are not available/ funding does not exist to commission external resources		1. Develop programme delivery plan and get cross party sign up to this 2.Cross- party investment planning meeting to agree resource commitment

Failing to reach agreed terms that are compliant with Teckal criteria, due to differing legal opinions		1. Follow a long term view or phased approach to delivery model design and implementation. (i.e. implementing one delivery model for a short term with a view of moving to another in the long term) 2. Regular compliance checks and discussions
CCO objectives may not be achieved in time to support planned 2014/15 service improvements in People & Place directorates (e.g. finance, HR, ICT, FM, business support). This has the potential to delay achieving cashable savings for the IHWB programme if not resolved		1. PCC / Portfolio guidance needed on what flexibility and freedom business areas have to determine what it can change independently and where it must follow the corporate line. Clarification over attribution of benefits: savings in support services are attributable to CCO irrespective of origin of the saving (in the same way as all premises savings are P&OD's)
Impact of OFSTED and other changes/request for changes on IT systems		1. Reinstating working group to prioritise changes
Market of providers lose confidence in commissioner		1. Early engagement of key partners and market in plans 2. Involvement of partners in development of clusters

9.2 Dependencies

NEW Devon CCG has a number of organisational interdependencies. These include those with Devon County Council, and West Devon and South Hams District Councils, since the Western Locality of the CCG (which includes the entire Plymouth footprint) also includes populations within Devon. There is also an interdependency to consider within the Partnerships Locality, which commissions a variety of services across the whole of the NEW Devon footprint, and it is therefore possible that commissioning decisions taken as a result of this programme may have an impact on those in other localities.

Organisation	The PCC Blueprint will drive the way in which The Council operates in the future, and as such it is vital that the project is compliant with this document.
Organisation	NEW Devon's relationship with Kernow CCG as an associate commissioner of e.g. the contract held with Plymouth Hospitals NHS Trust.
Programme/Project	Other programmes within The PCC Transformation Portfolio will provide support around engaging with staff, developing new ways of working and redesigning customer service.

9.3 Constraints

There is a constraint around delegated authority for approving decisions concerning integration within the CCG. Plymouth City is exclusively within the Western Locality of the CCG, but decisions around integrated commissioning and provision, and the alignment with the Transforming Community Services programme, will potentially affect other localities within the CCG, meaning that a decision will be needed by the CCG Governing Body as well as support from the Western Locality Board.