

## Bath & North East Somerset Council

MEETING/ DECISION MAKER:	<b>Cabinet</b>	
MEETING/ DECISION DATE:	<b>2<sup>nd</sup> December 2015</b>	EXECUTIVE FORWARD PLAN REFERENCE:
		<b>E 2790</b>
TITLE:	<b>Your Care, Your Way: Outline Business Case, Market Testing &amp; Service Outcomes</b>	
WARD:	All	
<b>AN OPEN PUBLIC ITEM</b>		
<b>List of attachments to this report:</b>		
Appendix 1: <i>“Your Care Your Way Outline Business Case”</i>		

### 1 THE ISSUE

1.1 The *Your Care, Your Way* community health and care services review programme has four key phases. The analysis and planning phase was completed in May 2015, the Programme then progressed into its current design phase. The key focus of this stage was to develop and formally consult on a set of commissioning intentions that set out the overarching strategy, outcomes framework and potential models on which service design could be based.

1.2 Before commissioners can progress to developing the service delivery model during the next phase, there are a number of key outcomes that form the body of this report and will need to be considered by Governing Bodies, which are Council Cabinet and BaNES CCG Board:

- i) The analysis of consultation findings that set out what our community has told us about our plans as detailed in September Cabinet report *“Proposals to Review Community Services Consultation Document”*.
- ii) The findings of our market engagement with providers and our proposed methodology to market test and contract in order to develop a process to identify the most capable providers for future service delivery.
- iii) The outline financial planning process that will set out the factors that will impact funding going forwards and the principles against which the funding envelope will be derived.

## **2 RECOMMENDATION**

- 2.1 Note the findings of the consultation document attached as set out in Section 3 of Appendix 1: *“Your Care Your Way Outline Business Case”* and approve progression to the next phase.
- 2.2 Approve the financial planning process as set out in Section 5 of Appendix 1.
- 2.3 Approve the market testing and contracting approach as set out in Sections 7 and 8 of Appendix 1.
- 2.4 Delegate, to officers, implementation of Phase 3, subject to the requirement to obtain approvals by the Joint Commissioning Committee and Governing Bodies in relation to the milestone decisions set out in Section 8, Figure 7 of Appendix 1.

## **3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)**

- 3.1 During this phase of the review our engagement with the community and providers has enabled us to better identify both the opportunities and challenges around our proposals and to establish how commissioners will take this learning into the next phase when the preferred service delivery model will be developed.
- 3.2 As the review progresses through Phases 2 and 3, which is planned to cover the period to Summer 2016, it is highly likely that both the CCG and Council will face further reductions in funding of public services arising from Government policy and spending review. This will also have to be taken into account as the envelope for funding service provision is finalised. The scale of the challenge will become clearer on the announcement of the Government’s four-year plan to cut public spending by £20bn which will be published on 25 November 2015. Communication on how these funding reductions impact on B&NES Council and BaNES CCG will be addressed through the Council and CCG’s annual financial planning and contracting processes and, also, further inform Phase 2 and 3 of the community services review.
- 3.3 Commissioners will work closely with providers to develop service models that reflect the reductions in the funding envelope, which will impact from 2017/18 onwards, and align with the principles that all services must be affordable, provide value for money and demonstrate that resources are appropriately allocated to address priority areas of need.

## **4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL**

- 4.1 Community health and care services play a vital role in meeting the statutory responsibilities of the Council and CCG. For the Council, these included those in the Care Act (2014); Mental Capacity Act (2005); Mental Health Act/Deprivation of Liberty Safeguards (2007); Children Acts (1989 and 2004) and SEND (Special Educational Needs and Disabilities) reform. Public Health responsibilities include a duty to promote the health & wellbeing of the inhabitants of its area and to reduce inequalities amongst its population.
- 4.2 Your Care, Your Way also supports the delivery of local strategic priorities, including those set out in the Health & Wellbeing Strategy, Better Care Plan, Council vision and priorities, and CCG 5-Year Strategy.

4.3 An Equalities Impact Assessment (EIA) has been undertaken and can be found on the Your Care, Your Way website ([www.yourcareyourway.org](http://www.yourcareyourway.org)). The EIA will be regularly reviewed and updated throughout all phases of the programme.

## 5 THE REPORT

5.1 Over the past ten months Bath and North East Somerset Council and Bath and North East Somerset CCG have been listening to the views of local people and working together to review and develop proposals to improve the delivery of integrated community health and care services to the people and communities of Bath and North East Somerset. As a result of this work Commissioners have developed the Outline Business Case (OBC) attached as Appendix 1 of this report. The OBC describing proposals for achieving a local model of integrated health and care that improves outcomes and system sustainability both now and in the future.

5.2 The proposals detailed within the OBC recognise that not all aspects of community services may need to change and acknowledges the need to build on the successes of the current system and the achievements of providers and staff. This gives us a sound foundation on which to build and to ensure that community services are ready, flexible, and resilient enough for the future – not only to respond to the challenges of constrained resources but also to drive lasting and sustainable improvements in outcomes for our population.

5.3 The OBC has drawn on a wide range of external expertise and support so that it is informed by best practice and learning from successful service reconfigurations that have been undertaken in other areas. This includes: Attain, the Consultation Institute, Ashfords LLP (solicitors), South West and Central Commissioning Support Unit and NHS England as well as a wide range of stakeholders. The purpose of the OBC is to:

- Enable the respective commissioning organisations to understand the key outcomes from phase two consultation and earlier engagement and make an informed decisions about how these will shape the project into Phase Three: Service Model Development;
- Outline the financial principles in order to assess how to most effectively invest the collective health and care resources to improve outcomes for the local population, taking account of funding constraints and demographic challenges; and
- Outline proposals for the market testing arrangements and contractual model to deliver the transformational change required in the future.

## 6 RATIONALE

6.1 The approach to our consultation has ensured that we were able to gather sufficient quantitative data to evidence the level of stakeholder support for the proposals and understand their priorities for funding. It has also ensured that all identified stakeholder groups (particularly seldom heard groups) were given the opportunity to share their views and that they are fairly and proportionally represented in the final analysis of the data. The consultation has also raised awareness amongst stakeholders of the challenges facing the care and health system in Bath and North East Somerset and how the CCG and the Council are

taking action to address these. The findings from this phase have also informed our strategy for continuing public involvement throughout the remaining phases as detailed in Section 3 of the OBC.

6.2 Both the Council and CCG are facing considerable financial challenges, since the national and local elections in May 2015 the Government has not provided any information on local government funding beyond 31 March 2016, although the Chancellor announced an Emergency Budget Statement on 8 July 2015. This will be followed by a Spending Review leading to the Financial Settlement for Local Government around Christmas 2015. This means we cannot be certain about the funding available for our Community Services from 2016/17 onwards, although we can expect the financial challenge facing the public sector to continue throughout the period of the next parliament from 2016/17 to 2019/20. The funding available indicates a gap for the People and Communities Directorate which equates to a 7% reduction to net budgets over a 4 year period. Savings will need to be achieved through delivery of the Strategic Review proposals to help fund the year on year pressures across health and care, including those arising from demographic change.

6.3 The development of the preferred prime contractor model and regulated market testing strategy as set out Sections 7 and 8 of the OBC provide a sound commercial basis on which to assess the most capable providers and to mitigate risk as far as possible in relation to our legal and statutory obligations.

## **7 OTHER OPTIONS CONSIDERED**

7.1 None

## **8 CONSULTATION**

8.1 Parties consulted in preparing this report include the Monitoring Officer, s151 Officer, Council Strategic Management Team, Council/CCG Joint Commissioning Committee, external legal advisors in addition to the extensive stakeholder engagement detailed in Appendix 1.

## **9 RISK MANAGEMENT**

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

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<b>Background papers</b>	N/A
<b>Please contact the report author if you need to access this report in an alternative format</b>	