

Bath & North East Somerset Council		
MEETING:	Council	
MEETING DATE:	10 th November 2016	
TITLE:	<i>your care, your way</i> : Full Business Case	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report:		
Please list all the appendices here, clearly indicating any which are exempt and the reasons for exemption;		
Appendix A : Full Business Case		
Appendix 1: Evaluation Panel		
Appendix 2: Impact Assessment		
Appendix 3: Data Dashboards		
Appendix 4: Measuring Outcomes		
Appendix 5: Mobilisation Plan		

1 THE ISSUE

This Full Business Case (FBC) builds on the Outline Business Case published in September 2015 and describes the strategy for the development of integrated community health and care services for people living in Bath and North East Somerset (B&NES). It sets out proposals for the future of community health and care services beyond April 2017 and approach to achieving the required outcomes for the people and communities of B&NES.

This FBC provides decision makers, stakeholders and the public with a management tool for evidence-based and transparent decision making and a framework on which the delivery of the priorities identified within YCYW will be based. The FBC evidences:

- a. The Strategic Case (Sections 3 and 5), where are we now and rationale for investment
- b. The Economic Case (Section 5), summary of benefits
- c. The Commercial Case (Section 4), procurement approach and legal arrangements

- d. The Financial Case (Section 8), summary of costs and payment mechanisms
- e. The Management Case (Sections 6 and 7), programme management and governance structures

2 RECOMMENDATION

Council is requested to:

- a. Review the Full Business Case and approve award of the contract to become the Prime Provider of community health and social care services to Virgin Care from 1 April 2017;
- b. Delegate authority to the Strategic Director, People and Communities, in consultation with the Cabinet Member for Adult Social Care and Health to agree any required post contract award variations to the Prime Provider contract, provided they do not represent a significant variation.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

3.1 Transition Arrangements and Costs

Section 6.3 of the FBC outlines the required work streams for mobilisation and transition. Whilst the majority of change management costs will be met by the Prime Provider, it is anticipated that the Council and CCG will incur internal costs to fund specialist resources to support the mobilisation and transition process. These are Council and CCG funded non-recurrent costs to cover all of the significant work areas required and are critical to supporting transformation at scale

These costs are indicative and representative of external resourcing to support transition and the service transformation required to deliver the new model of care that will meet the Councils and CCG's strategic objectives. Resources include subject matter experts covering areas such as:

- Programme Management and Governance to embed to manage the change programme and embed contractual governance frameworks; and
- IT infrastructure experts to ensure that locally we are able to support delivery of an integrated care record and enhance access to care records for people in B&NES. This will support delivery of good quality care, by for example, ensuring access to an integrated care record that ensures a single view of the person and also enabling increased direct face to face contact.

Where possible both the Council and CCG will make use of internal resource that is funded from existing budgets, however, due to the size and scale of the transformation challenge it is anticipated that external support will be also be required. The approval of additional funding will need to follow the Council's budget management scheme and the CCG's financial planning approval process.

Description	Cost
Programme Management and Governance	£150,000
IM&T Specialist Support	£200,000
Finance Specialist Support	£70,000
Estates Specialist Support	£50,000
Workforce Specialist Support	£50,000
Communications	£20,000
Total	£540,000

3.2 Financial Model

To support the financial management, reporting and oversight of the contract a robust financial operating model is required. This is outlined in Section 8 of the FBC.

To provide assurance of the financial model and contract affordability the Finance Workstream supported by the Council and CCG finance teams have developed an affordability model reconciled to 2016/17 contract funding. This has been used to assess the financial viability of future contract funding proposed by Virgin Care. The financial envelope takes into account current financial planning assumptions and future years Medium Term Financial Plan (MTFP) savings requirements.

3.3 Service Transformation

It is recognised that as part of the CCG and Councils financial planning work is being taken forward that identifies opportunities for service efficiency that will contribute towards the 2017/18 financial plan. These opportunities will need to be incorporated and resourced appropriately when jointly delivering cost improvement projects with the Prime Provider.

3.4 Commissioning & Client Side Proposals

Section 6.1 of the FBC sets out the final scope of the contract, this has been developed following a service by service assurance process that has considered a range of criteria including;

- Benefit to service user
- Current Interdependencies
- View from the Prime Provider of their proposed positioning of the service
- Impact on the local market.
- Service Transition Issues

Section 6.5 outlines the commissioning and contracting arrangements and proposals to align Council and CCG resources to support service transition whilst also putting in place co-commissioning arrangements with the Prime Provider.

3.5 Workforce Transition

Approximately 1100 posts from the core current provider (Sirona) have been identified as being eligible for TUPE. Section 7.2 of the FBC sets out plans for workforce transition.

It is recognised that there are three key pension schemes of which the Prime Provider can offer access to comparable terms, these include;

- Local Government Pension Scheme (LGPS)
- Sirona Pension Scheme
- NHS Pension

The LGPS Avon Pension Fund is carrying out a fund valuation; this will identify the surplus / liabilities on the fund at 31st March 2017 that is attributable to the staff employed by the incumbent provider.

Detailed work will be required to assess the impact on the incumbent provider, prime provider and Council as fund guarantor. Scenarios that will need to be considered with arrangements in place to allow transfer of the following

- Availability of the LGPS to staff who joined the Pension scheme during Council employment.
- Availability of the LGPS to staff who joined the Pension scheme during Sirona Employment.

3.6 Impacts on corporate/ wider budgets and services

Currently the Council provides services to incumbent providers; these services include use of Council estates including maintenance to buildings. Whilst the majority of services will be able to transition to a new provider consideration will need to be given to services that are under review.

Commissioners are aware of the Council Passenger Transport Strategic Review project. As a result of the review the recommended delivery options for this service will need to be considered in future contracting arrangements with the Prime Provider.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

4.1 This Full Business Case (FBC) builds on the Case for Change published in November 2014 and describes both the strategic and economic cases for the development of integrated community health and care services for people living in B&NES. It sets out proposals for the future of community health and care services beyond April 2017 and our approach to achieving the required outcomes for the people and communities of B&NES.

4.2 The contents in the report and FBC take into account the policies and legislation set out in:

- Better Care Fund Guidance
- NHS Everyone Counts

- Care Act 2014
- The National Health Service Procurement, Patient Choice and Competition (No. 2) Regulations 2013

4.3 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.

4.4 ***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.

5 THE REPORT

5.1 The ***your care, your way*** Full Business Case (FBC) sets out the case for Bath and North East Somerset Clinical Commissioning Group (the CCG) and Bath & North East Somerset Council (the Council) to award a contract to Virgin Care to become the prime provider of community health and social care services from 1 April 2017.

5.2 Section 3 summarises the extensive programme of engagement and consultation that has taken place with local people and professionals since the ***your care, your way*** review of community services began in January 2015. Following a series of over 80 different engagement events, a formal public consultation was held in autumn 2015 to seek feedback on a draft vision for community services, four potential service models and a set of fourteen priorities. The results of this consultation were then used in the procurement process to test how the bidders intended to deliver the priorities that matter to local people.

5.3 Section 4 explains how the procurement process was conducted and how Virgin Care was selected as the preferred bidder. It begins by setting out the reasons for choosing a prime provider model for community services, highlighting how the prime provider will hold overall responsibility for the delivery and coordination of services with the ability to sub-contract with other specialist providers to ensure that existing knowledge and experience is not lost. This section goes on to explain the four stages of the procurement process, how community champions were involved in the evaluation of bids and how the legal and statutory duties of the CCG and Council were met.

- 5.4** Section 5 explains how services will change with Virgin Care as the Prime Provider. It begins by summarising the drivers for change including the changing needs of the local population, financial pressures and the opportunities provided by technology and data. The new service model is then described in detail with a table that makes it clear how this model will address the priorities identified in the public consultation. This is followed by a description of the outcome-based accountability approach that will be used to measure Virgin Care's performance, ensuring that they deliver health and wellbeing outcomes for the whole population as well as delivering performance targets for each of the services they are responsible for.
- 5.5** Section 6 starts by setting out the full scope of the contract, dividing services into three groups: those to be delivered directly by Virgin Care, those to be delivered through a mental health collaboration led by Virgin Care and those to be sub-contracted to other providers. This is followed by an explanation of what will happen in the mobilisation, transition and transformation phases with specific details on how this will be monitored and funded. This section concludes with an explanation of the commissioning arrangements for the contract from 1st April 2017.
- 5.6** Section 7 goes into greater detail about how the transformation of services will be managed. This includes the continuity of care for service users as well as the transfer of health and care professionals from Sirona care & health to Virgin Care. There is a comprehensive assessment of plans for the management of estates and equipment as well as a detailed description of how Virgin Care's information management and technology (IM&T) systems will be implemented locally. This section highlights the importance of partnership working between Virgin Care, GP practices, the RUH (Royal United Hospital), AWP (Avon & Wiltshire Mental Health Partnership NHS Trust) and local voluntary sector organisations. It concludes with a summary of how key risks will be managed throughout the process.
- 5.7** Section 8 explains the financial arrangements for the contract. It sets out the Commissioner Joint Funding Model that will be used including the processes for managing risk sharing, savings and investments. There is more detail on the funding envelope, how money will be allocated in the contract and the payment mechanisms that will be put in place. The section concludes with an explanation of how taxation will be dealt with.
- 5.8** The document concludes with a recommendation to the governing bodies of the CCG and the Council to approve award of the contract to become the Prime Provider of community health and social care services to Virgin Care from 1 April 2017.

6 RATIONALE

- 6.1** The recommendation to approve award of the contract to become the Prime Provider of community services to Virgin Care is made on the basis of the rationale contained in detail in the Full Business Case and summarised in this report. Also, on the alternative options considered in section 7, which are summarised below.

7 OTHER OPTIONS CONSIDERED

In developing this FBC, the following options were considered:

Option 1: Do Nothing

Commissioners recognise that the creation of a prime provider for community services is a bold and transformational step. However, services cannot continue to be delivered in the same way because in the long term this is unaffordable, unsustainable and, most importantly, will not deliver the preventative, collaborative and personalised service that local people and professionals have asked for. Also a significant proportion of contracts expire on 31st March 2017.

Option 2: Work with existing providers to deliver our priorities

There are many strengths in existing community services locally with strong examples of innovation and partnership working. These include services that have won awards and plaudits from patients, families, carers and communities. Although there are these achievements of current providers and staff, the way services are currently arranged does not create optimal conditions for the delivery of integrated, personal and sustainable community services.

The system complexity impacts on a range of areas particularly for people with most complex needs where a seamless integrated community system is crucial to their care. Examples include: differing clinical and social policies and organisational governance systems; differing record keeping systems and Information Technology; and many challenges for patients navigating their way through the complex system.

It is also important to recognise that as commissioners, the CCG and the Council are governed by EU procurement law and governed by the Public Contract Regulations 2015. The CCG is further bound by the Procurement, Patient Choice and Competition Regulations 2013. The regulations permit a number of ways in which services can be commissioned, but in each case they require the publication of a call for competition and the conduct of a fair and transparent process prior to the award of the contract.

Option 3: Confirm intent to Award to Virgin Care Limited (Recommended)

Under this option, a specified new model of care would be commissioned to start in April 2017 in line with the outcome of the procurement process.

The service model proposed by Virgin Care is based upon the priorities identified through engagement and consultation with local people and professionals. In addition, the demographic and financial challenges faced by health and care services both locally and nationally have made the current service model unsustainable.

Virgin Care has been selected as preferred bidder because they have an ambitious but realistic plan for transforming local services so that people experience care that is more personalised, more coordinated and focussed on prevention and self-care.

8 CONSULTATION

- 8.1** Between January and December 2015, Bath and North East Somerset Clinical Commissioning Group and Bath and North East Somerset Council carried out a bold and ambitious review of community health and care services for children, young people and adults. The review, known as your ***care, your way***, looked at the wide range of services providing care and support in people's homes and communities, and the experiences of people using these services.
- 8.2** The review was based upon hundreds of face to face conversations with local people and professionals and over 80 engagement events were held to hear about their experiences and ideas. Particular efforts were made to hear the views of seldom heard groups and provide meaningful opportunities that enabled them to participate. This included tailored presentations to patient groups, round table discussions, role play exercises, outreach events, sign language invitations and subtitled presentations for people with sensory impairments.
- 8.3** A design workshop in May 2015 brought together over a hundred service users, carers, health and care professionals, GP's and third sector organisations to think creatively about delivering services in a more joined up way. A workforce survey in July 2015 provided further evidence of the strengths and weaknesses of the current system and how these could be addressed.
- 8.4** Formal public consultation was carried out in the autumn of 2015 which set out a vision for community services, four potential service models and fourteen priorities for improvement based on feedback from the engagement events. The consultation received 545 responses from a wide range of service users, carers and professionals.
- 8.5** The procurement evaluation panel consisted of subject matter experts from the CCG, the Council, GP's, and Community Champions (experts through experience, service users and carers). The wide range and experience of evaluators helped to ensure a robust and thorough evaluation process.

9 RISK MANAGEMENT

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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Background papers	<i>Not Applicable</i>
Please contact the report author if you need to access this report in an alternative format	