

**Manchester Health and Wellbeing Board
Report for Resolution**

Report to: Manchester Health and Wellbeing Board – 8 June 2016

Subject: Progress Update Local Care Organisation Development

Report of: Gill Heaton, Chair, Manchester Provider Board

Summary

The purpose of this report is to update the Health and Wellbeing Board on the progress of the Manchester Provider Board in relation to the development of a Local Care Organisation.

Recommendations

The Board is asked to:

- note the progress made by the Manchester Provider Board developing the Local Care Organisation. Support is being received from NHS England as Manchester is one of six areas nationally that are at the forefront of this work;
- note the agreed high level milestones specifically, by end August 2016 to have determined organisational form of the Local Care Organisation ahead of establishment and, from April 2017 to hold a single contract for out of hospital services.
- note the next steps that have been identified, specifically to develop more detailed milestones that all partners are signed up to by the end of June and the intention to establish a joint provider and commissioner steering group.

Board Priority(s) Addressed:

Health and Wellbeing Strategy priority	Summary of contribution to the strategy
Getting the youngest people in our communities off to the best start	The Manchester Locality Plan aims to support the Health and Wellbeing Strategy by identifying the most effective and sustainable way to improve the health and social care of Manchester people.
Improving people’s mental health and wellbeing	
Bringing people into employment and ensuring good work for all	
Enabling people to keep well and live independently as they grow older	
Turning round the lives of troubled families as part of the Confident and Achieving Manchester programme	
One health and care system – right care, right place, right time	
Self-care	

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

1. Introduction

The purpose of this report is to update the Health and Wellbeing Board on the progress of the Manchester Provider Board in developing a Local Care Organisation. It describes the progress to date, support received from the national NHS England team and the work required going forward.

2. Background

The Local Care Organisation is a continuation of the Living Longer, Living Better strategy and will act as a key part of the health economy system architecture to enable to delivery of care in lower acuity settings and closer to people's homes. There will be a single Local Care Organisation for Manchester which will hold a single contract for out of hospital care and be responsible for holding the neighbourhood teams to account for performance and delivery through new models of care. The neighbourhood teams will serve local populations of between thirty and fifty thousand, building upon the One Team model of care to deliver services to patients which reduce dependence on higher acuity care settings. GPs will be central to coordination and delivery of care at a neighbourhood level.

The Local Care Organisation is one of the three key pillars described in the Locality Plan to deliver improved outcomes for the population of Manchester and services that are clinically and financially sustainable. The Local Care Organisation will act as the vehicle which will hold a single contract for out of hospital care from a single commissioning voice. The development of the Local Care Organisation, and associated care models, are both complementary and integral to the development of the Single Hospital System. Due to the interdependencies between the three pillars there is a need to ensure that the progress and implementation of each of these significant programmes of work happens in tandem.

The intention is to establish a Local Care Organisation which is capable of holding a single contract with commissioners for out of hospital care from April 2017. By September 2016 a Transformation Fund bid will be produced to support with the implementation of the Local Care Organisation and associated models of care.

3. Manchester Provider Board

In January 2016, the Manchester Provider Board was asked to lead on the development and implementation of the One Team Model and the development of the Local Care Organisation. A report to the Health and Wellbeing Board in March 2016 provided an update and the revised governance and accountability arrangements were approved.

The members of the Manchester Provider Board will now need to seek external expertise to support to progress the Local Care Organisation development and also the care model work. As an interim position to enable the work to progress the providers have committed to fund external support until a proposal is submitted to the Transformation Fund in September.

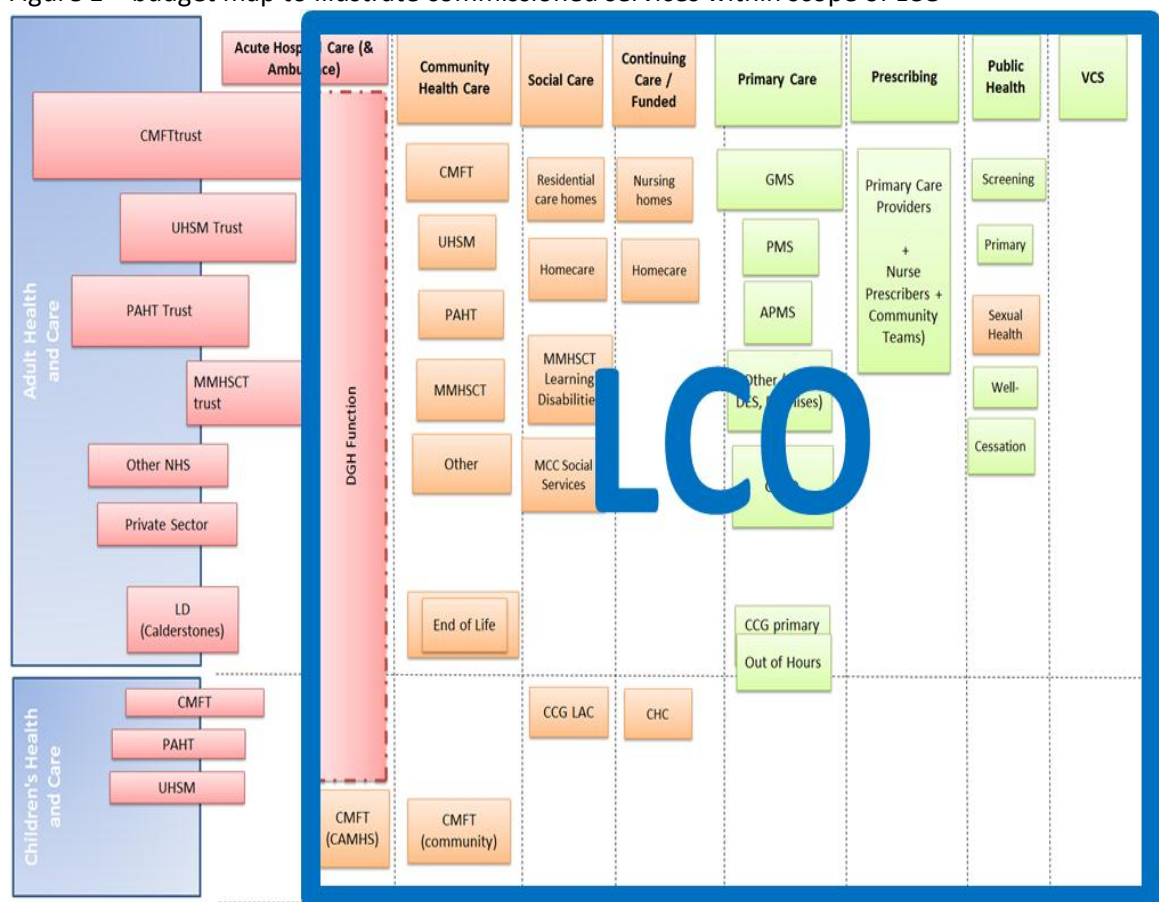
4. Progress to Date

A draft programme plan has been developed which identifies key milestones and activities from a national policy, commissioner and provider perspective. There is also agreement that a joint provider and commissioner forum needs to be established to ensure alignment. This level of detail is being developed beneath the high level milestones that were agreed by the Manchester Provider Board, with a finalised set of milestones by end June 2016. Through the single commissioning arrangements, commissioners will further develop the outcomes and specifications for the LCO. There are broadly three key pieces of work that are required in order to be in a position to incorporate the Local Care Organisation from September 2016.

4.1 Scope of the LCO

Figure 1 below illustrates the range of commissioned services that will sit within a single contract for out of hospital care. Joint working between commissioners and providers is taking place to quantify the income and activity for each of the commissioned services below over the next five years. This will enable the development of a long term financial model for the Local Care Organisation and articulate the scale of the transformational change and cost savings that the Local Care Organisation will be required to deliver. There will need to be agreement as to the phasing of services transitioning into the Local Care Organisation through a single contract over the next five years.

Figure 1 – budget map to illustrate commissioned services within scope of LCO



4.2 Define organisational architecture

The development of the organisational architecture to create both a vehicle which is capable of holding a single contract for out of hospital services and an operating model which will effective interaction with and management of the neighbourhood teams is necessary. The Local Care Organisation will need to have the capability to manage a multi-year, capitated contract and be able to (re)allocate resources on the basis of need using risk stratification approach.

A key component of this work is engagement with primary care around the adoption of the new GP contract. The adoption of the new voluntary GP contract by practices will be the mechanism by which they will be contractually linked to the Local Care Organisation.

NHS England has been working intensively with six areas nationally to complete the design of the new voluntary GP contract with the aim of going live, on a voluntary basis, in April 2017. The new GP contract is a key enabler to the development of the Local Care Organisation model. Manchester is one of the six areas working with NHS England on this work. The NHSE New Care Models team are keen to work with Manchester as we develop the Local Care Organisation vehicle and model. The support that they will be able to offer will be primarily advice and helping to resolve policy issues that are identified on an ad hoc basis.

A number of legal issues have been identified which will require resolution ahead of the establishment of a Local Care Organisation. These include, but are not limited to; legal structure, VAT, cross indemnity provision, dispute resolution, termination and competition issues. The national team will provide support in resolving issues from a policy perspective and a process will be established in order to ensure that all of the providers respective boards are fully sighted and implications understood.

4.3 Develop business case

In conjunction with the work outlined in 4.1 and 4.2 it will also be necessary to develop a business case around the creation of a Local Care Organisation. The business case, or 'value proposition' as it is being referred to by other vanguard sites, will describe the case for change and will articulate:

- the strategic rationale and anticipated benefits of the Local Care Organisation;
- why the Local Care Organisation is the most appropriate solution to deliver the transformational change, and associated savings as per 4.1; and
- how the Local Care Organisation will operate as a well-governed organisation and have the capability to deliver, as per 4.2.

This business case will inform the September Transformation proposal.

5. Going forward

A draft programme plan has been developed which identifies key milestones and activities from a national policy, commissioner and provider perspective. This level of detail is being developed beneath the high level milestones that were agreed by the

Manchester Provider Board, with a finalised set of milestones by end June 2016. The key high level milestones regarding the creation of a Local Care Organisation are:

- i. By end August 2016 have determined organisational form of the Local Care Organisation developed ahead of establishment; and
- ii. From April 2017 to hold a single contract for out of hospital services, as determined by the phasing of services agreed (as per 4.1).

6. Next steps

To order to deliver the high level milestones for the delivery of the Local Care Organisation, the following is required:

- o By early June external support to begin providing support to develop the organisational architecture and the care models;
- o By early June have established a provider and commissioner steering group;
- o By end of June to have finalised and agreed milestones between all partners;
- o By mid-July define scope of LCO and phasing (as per 4.1);
- o By end-July define organisational architecture (as per 4.2);
- o By end mid-August develop business case (as per 4.3); and
- o Ongoing working alongside the NHS England National Team.