

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

**Report to:** Manchester Health and Wellbeing Board – 5 July 2017

**Subject:** Manchester’s Locality Plan – Manchester Investment Agreement

**Report of:** Lorraine Butcher, Joint Director Health & Social Care Integration

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**Summary**

This report updates the Board on Manchester’s application to the GM Transformation Fund submitted in October 2016 and the steps being taken to confirm the Investment Agreement with GM; and the wider Manchester Agreement with partners within the City to deliver the necessary changes in service delivery required to improve health and care outcomes and a financially sustainable system by 2020/21.

**Recommendations**

The Board is asked to note the report

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**Board Priority(s) Addressed:**

<b>Health and Wellbeing Strategy priority</b>	<b>Summary of contribution to the strategy</b>
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	

**Lead board members:** Cllr Bev Craig, Dr Phillip Burns

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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.

The Manchester Locality Plan (April 2016)

Locality Plan – Financial Report – Closing the Funding Gap 2017/21 (Report to Council Executive and CCG's Boards, January 2017)

## 1. **Background**

- 1.1 The HWBB will be aware from previous reports of steps being taken to secure investment from the Greater Manchester (GM) Transformation Fund to enable the necessary reform of the health and care system in Manchester and delivery of the ambition detailed in Manchester's Locality Plan - A Healthier Manchester. Those reports have detailed the 'do nothing' funding gap within Manchester if transformation of the health and care system does not take place.
- 1.2 In October 2016 Manchester submitted an application to the GM Transformation Fund for substantial investment in new service models. Evaluation of that submission covering the Single Hospital Service and the Local Care Organisation has now completed and steps are now being taken to finalise the Investment Agreement required between Manchester and GM, and within Manchester between the partners commissioning and delivering the new arrangements.

## 2. **Investment and Reform**

- 2.1 Investment is required to enable the whole health and care system in Manchester to deliver more efficient and effective services. This, in turn, will result in improved health and care outcomes and will contribute to the closure of the funding gap.
- 2.2 Within the context of integrated health and care services in the community, investment has been secured to:
- Support the strategy of delivering a strong approach to prevention, wellbeing and self-care;
  - Enable the delivery of a strengthened and a standardised offer of care support for all communities across the City through integrated neighbourhood teams;
  - Support people to be independent and live in their own homes and communities for longer;
  - Improve access to appropriate services, to prevent recourse to costly acute sector support ahead of when it is needed.

The largest proportion of this investment is via the GM Transformation Fund. Other resources are also available outside of the GM Transformation Fund, primarily from the Adult Social Care Grant (see separate report on the HWBB agenda) and Manchester Clinical Commissioning Group investment funding.

- 2.3 The Locality Plan details the intention to reduce demand for acute and residential services by implementing new models of integrated care within communities, resulting in cashable savings from reduced demand. This approach will contribute substantially to a more financially sustainable system. Critically, through the process of negotiating the investment requirements, the Investment Agreement will detail: the required activity shifts from acute services to community services; changes in the funding flows of

commissioning resources that result; and the intended health and care outcomes for residents and patients.

- 2.4 Discussions with GM on the Investment Agreement are reaching a conclusion, with the agreement expected to be signed off at the end of June 17.

### 3.0 The Manchester Agreement

- 3.1 Alongside the GM Investment Agreement described above, providers and commissioners are also collaborating on the development of a Manchester-specific Agreement (an intra-Manchester agreement).
- 3.2 The Manchester Agreement will set out the key requirements of all partners to deliver the Locality Plan, including MHCC, LCO and the SHS. The scope of the agreement will be wider than the Investment Agreement with GM, as it will integrate all available investment funding into a cohesive transformation and reform programme. It will clearly tie the performance implications to financial and budget assumptions for partners, and the future shape of services over the next ten years.
- 3.3 The purpose of the Agreement is to show how the investments being made will lead to reductions in demand. In particular, how new models of care will lead to reduced demand for acute care and residential and nursing care. By tracking key metrics over time - including activity changes, reductions in demand, and population health impacts - partners will have assurance that cashable savings can be made. In turn, some of the cashable savings will be required for reinvestment in new models of care beyond the period of initial investment. Evaluation frameworks are needed to provide the evidence that the new approaches are causing these impacts. The Agreement will also underpin work on how partners share risk and reward, with new incentives, payment mechanisms and contracts that can more effectively align resources across the system.
- 3.4 The Manchester Agreement will cover six areas:
- **Vision and strategy** – A refresh of the Locality Plan to better align the five year transformation strategy with current and future transformation activity.
  - **Ways of working** – How the Our Manchester approach will apply to health and social care reform, and system leadership requirements to drive change and embed Our Manchester values and behaviours.
  - **Performance management** - The metrics for inputs, outputs, outcomes and impacts that the transformed health and care system will need to deliver. It will give Manchester partners more detailed oversight of delivery and will enable effective decision making.
  - **Evaluation** – The evaluation approach to be implemented to provide the evidence that the transformation programme is having the intended effect.
  - **Benefits realisation** – Linking performance and evaluation with the achievement of intended benefits, and the cashable and non-cashable benefits that result.
  - **Risk and gain share** - Designing the mechanisms by which partners collectively share in the benefits of overachieving, and shoulder the burden

of underachieving. This will require new forms of payment incentives, contracts, and budgeting arrangements to incentivise change.

- 3.5 The Joint Director Health & Social Care Integration is leading a Manchester Agreement Delivery Group which is intending to have a draft version of the Agreement available from mid-July 2017.

**4. Conclusion**

- 4.1 The Board is asked to note progress in developing both the GM Investment Agreement, and the Manchester Agreement.