

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

**Report to:** Manchester Health and Wellbeing Board – 3 June 2019

**Subject:** Manchester Local Care Organisation – Phase 2 Update

**Report of:** Michael McCourt, Chief Executive – Manchester Local Care Organisation, and Ian Williamson, Chief Accountable Officer, Manchester Health and Care Commissioning

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**Summary**

This report provides a jointly written update by MHCC and MLCO on the development of the Manchester Local Care Organisation (MLCO) and Phase 2.

**Recommendations**

The Board is asked to note the contents of this report including the work delivered by MLCO in 2018/19, and the work that is underway to deliver MLCO Phase 2.

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**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 MLCO will deliver services and support which contributes towards the Health & Wellbeing Boards 7 strategic priorities.
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	

**Contact Officers:**

Name: Tim Griffiths  
Position: Assistant Director, Corporate Affairs  
Telephone: 07985 448165  
E-mail: tim.griffiths@nhs.net

**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 four years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- GM Strategic Plan – Taking Charge of Our Health and Social Care Manchester
- Locality Plan – A Healthier Manchester
- Local Care Organisation Prospectus

## **1. Introduction**

- 1.1 As the Board will be aware MLCO was established as a public sector partnership on April 1<sup>st</sup> 2018 through the agreement and signing of a Partnering Agreement.
- 1.2 This paper provides Health and Wellbeing Board with a joint update from both MLCO and MHCC on the work that MLCO delivered in 2018/19, and provides updates in regards to the production of Business Plan and the delivery of Phase 2.

## **2. Background**

- 2.1 A key priority of the Our Manchester Strategy is to radically improve health and care outcomes, through public services coming together in new ways to transform and integrate services. This involves putting people at the heart of these joined-up services, a greater focus on preventing illness, helping older people to stay independent for longer, and recognising the importance of work as a health outcome and health as a work outcome. The Locality Plan, “Our Healthier Manchester”, represents the first five years of transformational change needed to deliver this vision.
- 2.2 Manchester has some of the poorest health outcomes in the country, and there are very significant health inequalities within the city. The Locality Plan aims to overcome the significant financial and capacity challenges facing health and social care in order to reduce these inequalities and to become clinically and financially sustainable.
- 2.3 The plan sets out the complex, ambitious set of reforms that are needed to integrate services for residents. This included developing a Local Care Organisation for integrating out-of-hospital care, a single hospital service for integrating in-hospital care, and a single commissioning function for health and social care.
- 2.4 The Locality Plan is fully aligned with the Our Manchester approach to change ways of working. This will mean supporting more residents to become independent and resilient, and better connected to the assets and networks in places and communities. Services will be reformed so that they are built around citizens and communities rather than organisational silos.

## **3. MLCO 2018/19**

- 3.1 As the Board are aware MLCO assumed responsibility for delivering a range of services in April 2018. These included delivery of new care models: High Impact Primary Care; Manchester Community Response; and Integrated Neighbourhood Teams. MLCO assumed operational responsibility for delivering a range of community health and adult social care services.
- 3.2 An overview of the work of MLCO in 2018/19 is appended to the substantive report; ‘Our first year’ is MLCO’s draft annual report.

3.3 The work of MLCO in 2018/19 was led by Michael McCourt, Chief Executive and a senior team around him:

- Katy Calvin-Thomas – Deputy Chief Executive
- Mark Edwards - Chief Operating Officer
- Dr Sohail Munshi – Chief Medical Officer
- Laura Foster – Director of Finance
- Bernie Enright – Director of Adult Social Services
- Jon Lenney – Director of Workforce and Organisational Development

#### **4. MHCC and MLCO**

4.1 In April 2017, MHCC was established as a single commissioning function for health, public health, and adult social care. From its inception, it was always envisaged that, as the local health and care system matured, MHCC would become a 'Strategic Commissioner' focussing on:

- Setting clear and ambitious outcome goals for the system.
- Securing the right mix of health and social care provision working together in an evidence-based and systematic way.
- Creating the best possible conditions for providers, stakeholders, communities and individuals to optimise health outcomes.
- Monitoring and evaluating standards and outcomes to ensure the system continually improves.
- Looking beyond provision of health and care as the driver of people's health to create a systematic shift to the social determinants of health.

4.2 The main difference between this and the more traditional model of commissioning is that the design and development of new service models and care pathways, and the redesign of existing services, will become a role for provider organisations. This shift in function recognises the fact that those providing the service are better placed than commissioners to design and enhance services in collaboration with front line staff and those who use the services. In respect of community-based service, this role will become the responsibility of MLCO.

4.3 Over the last 3 months, MHCC has been carrying out an engagement and consultation process with staff and stakeholders to design a new organisational structure which is fit for purpose for a strategic commissioner, whilst providing MLCO with the additional capacity and capability required to take on its new role as described above.

4.4 As a result, over 60 members of staff will be deployed into MLCO from MHCC to work on health and social care commissioning, population health, and continuing health care. This includes a number of senior managers who will work with the existing management team to lead this next phase of MLCO's development.

4.5 Other leadership and governance developments which are supporting MHCC's strategic commissioning ambition include:

- Executive Member for Adult Health and Wellbeing being Deputy Chair of the MHCC Board and one of MHCC's representatives on the MLCO Partnership Board;
- Inclusion of Manchester City Council's Chief Executive and Executive Member for Children's Services as members of MHCC's Board;
- Assignment of some financial responsibilities from the City Treasurer to MHCC's Chief Finance Officer;
- Substantive recruitment to the Director of Adult Social Services post – this is shared role across MHCC, MLCO and MCC; and
- Re-alignment of MHCC Executive functions, including the creation of a new Director of Strategy post.

4.6 In addition to making MHCC a more effective partnership organisation, the changes will save over £650k in management costs, enabling a greater percentage of the city's health and care budget to be allocated to front line services.

## **5. Building Manchester Local Care Organisation**

5.1 As described above MHCC are responsible for the commissioning of the health and care system in Manchester; this includes MLCO.

5.2 In the latter part of 2018 it was agreed by commissioners that the commissioning and procurement of MLCO would be achieved through the production of a comprehensive joint business case. This business case will be required to offer assurances in multiple areas, and will be assessed against the ability of MLCO to deliver the requirements placed upon it.

5.3 This business case will, as a minimum, offer an assurance against the following:

- There are clear transformational benefits envisaged for patients and populations;
- There is appropriate commissioning governance and management in place;
- The contracted services are financially sustainable for the local health economy;
- There is appropriate provider entity structure, financial capacity, governance and capability to transform and deliver;
- The contract documentation is appropriate; and,
- In the event of provider failure, there are contingency plans in place.

5.4 The business case also has to be compliant with NHS England's and NHS Improvement's Integrated Support Assurance Process (ISAP). The objectives of ISAP are aligned to the list of assurances set out above, as such it is appropriate that Manchester should be guided by this approach.

5.5 A key part of this process was to identify a lead health contractor – for MLCO this will be Manchester University Foundation Trust.

5.6 In adopting the approach described above at the latter end of 2018 it is envisaged that the procurement process be concluded by October 2019.

## **6. Producing the business case**

6.1 In order to deliver the business case within the required timescale, a working group has been created. The membership of this group is comprised of senior representation from both commissioners and the provider organisations that formed MLCO.

6.2 The business case will be based on the delivery of those services that are scheduled to be transferred to MLCO from October 2019.

6.3 To support the process, MHCC has established an MLCO Contract Award Assurance Board (CAAB). The CAAB have set out their expectations in respect of the business case:

- The business case will need to be clear how the phasing of services from October 19 within the MLCO will start to have a profound impact on the health outcomes of the local populations. There needs to be a focus on outcomes across the system;
- Clear description of the approach to governance that enables the MLCO to take on the operational delivery of services within the host arrangement;
- Being clear on the proposals to maximise social value/inclusion;
- Ensuring that risks from potential constraints including estates, IM&T, and workforce are being addressed – acknowledging that not all risks will be fully mitigated; and
- The approach to working with the broad range of voluntary and community providers to help better meet the needs of our population.

6.4 The successful mobilisation of the services outlined within the business case will see MLCO grow significantly and as a result, through 2019/20, it will become responsible for the delivery of £287m of services (which is inclusive of the c£130m of services that MLCO were responsible for in 2018/19).

6.5 Subject to the satisfactory conclusion of the business case process, the budgets that transfer to MLCO management include Continuing Healthcare and Learning Disability Healthcare. The transfer of these budgets will enable MLCO to more effectively meet the needs of some of the most vulnerable residents within our city, ensuring that it can support people closer to home, and provides us with the opportunity to fully integrate provision for those with learning disabilities across the city.

6.6 It is expected that a number of primary care contracts will transfer to the MLCO including Out of Hours' Provision, Seven-day Access, and Primary Care Standards. The support of both Manchester Health and Care Commissioning and Manchester Primary Care Partnership in making this happen demonstrates

the proactive and positive commitment of the Manchester system to realise the ambition of the MLCO.

- 6.7 As described, the mobilisation of MLCO phase 2 relies on the role of lead contractor. It should be noted that for a number of legal and technical reasons the lead contractor is unable to assume contractual responsibility for the delivery of adult social care. However, the responsibility for a range of services including residential and nursing care, home care, extra care and sheltered housing will fall under the leadership of the Director of Adult Social Services, who will discharge these functions from within MLCO.
- 6.8 Numerous public health budgets will transfer to MLCO, and this will ensure that the city can deliver its population health plan and place prevention at the core of what the MLCO will deliver both within neighbourhood and across Manchester.
- 6.9 Whilst mental health contracts will not move in 2019/20 the criticality of embedding mental health teams within the neighbourhood offer is recognised. To support this, a clear integration plan between Greater Manchester Mental Health Trust and the MLCO for mental health provision with Integrated Neighbourhood Teams, High Impact Primary Care, and Urgent Care for 2019/20 will be developed.

## **7. MCLO governance**

- 7.1 As set out at section six, a key component of the business case will be a clear description of the governance arrangements that will support MLCO to deliver phase 2.
- 7.2 To ensure that those arrangements are suitably robust and aligned with partner expectations a governance working group has been established. The work of this group follows on from the work of the governance working group that led on the development of the Partnering Agreement (which established MLCO).
- 7.3 The focus of this work will be to confirm the role and function of the current Partnership Board and work to ensure that the governance that support MLCO is robust; enhancing where required.

## **8. MLCO business plan**

- 8.1 In addition to producing the business case, MLCO is in the process of finalising its business plan. The process to produce a business plan for MLCO is a relatively complex one, with the plan being built from 12 neighbourhood plans, 3 locality community service plans, one adult social care plan and citywide children's service plan.
- 8.2 To date all 12 neighbourhoods have produced neighbourhood (health and care plans), and MLCO are currently working on producing a 'plan on a page' from the neighbourhood plans which will include social care, mental and children's services. These are being developed and will be taken through the

Neighbourhood Partnerships, with an expectation that these are finalised during July 2019

- 8.3 As the Board will be aware 2019/20 is the second year of our ten-year journey to deliver improved health and care outcomes for people in Manchester. This is captured by our vision and way of working below, which lies at the heart of our 2019/20 Business Plan.
- 8.4 MLCO will also have an operating model clearly articulated, based on the risk stratified approach that will be taken through all of its service redesign and understanding how the services that are provided in collaboration with partners and other sectors begin to enable it to promote healthy living, build on vibrant communities, keeping people well in the community and support people in and out of hospital.
- 8.5 The business plan will set out the MLCO response to five overarching priority objectives:
- Population health delivery;
  - Achieving integrated working in neighbourhood teams;
  - Building strong relationships with primary care;
  - Delivering better system resilience;
  - Achieving Phase 2 for the MLCO.
- 8.6 It will support the MLCO to deliver against the 10 outcomes set by MHCC:
- We will have improved the number of people supported to stay well;
  - We will see fewer people dying early from preventable conditions;
  - Avoidable non-elective (unplanned) hospital activity will be reduced;
  - The overall cost of care packages will have reduced;
  - We will benefit from improved collaborative working in the city;
  - The outcomes that matter to local people will have improved;
  - We will have reduced variation in outcomes and access by place;
  - There will be reduced variation in outcomes and access by communities of identity;
  - The numbers of children who are school ready will have improved;
  - There will be more economically active households in Manchester;
- 8.7 As part of the work to develop finalise business plan joint work is now being undertaken to develop an appropriate risk management framework aligned to the business plan and key delivery priorities.

## **9 Recommendations**

- 9.1 The Board is asked to note the contents of this report including the work delivered by MLCO in 2018/19, and the work that is underway to deliver MLCO Phase 2.