



## **HEALTH OVERVIEW AND SCRUTINY COMMITTEE: 25 FEBRUARY 2015**

### **BETTER CARE TOGETHER**

### **LEICESTER, LEICESTERSHIRE AND RUTLAND FIVE YEAR STRATEGIC PLAN 2014-2019**

### **REPORT OF THE DIRECTOR OF ADULTS AND COMMUNITIES**

#### **Purpose of Report**

- 1 The purpose of this report is to present to the Health Overview and Scrutiny Committee the Better Care Together Strategic Outline Case and Programme Initiation Document to support the Leicester, Leicestershire and Rutland Five Year Strategic Plan 2014-2019 for health and social care services.

#### **Policy Framework and Previous Decisions**

- 2 Better Care Together (BCT) is the biggest ever review of health and social care in Leicester, Leicestershire and Rutland. The County Council is a key member of the partnership of NHS organisations and local authorities across the area. All governing bodies of the partners are being asked to formally consider the Strategic Outline Case (SOC) and Project Initiation Document (PID).
- 3 The SOC sets out the business case for the BCT programme as being the preferred way forward to deliver the plans set out in the Five Year Strategic Plan. The PID defines the BCT programme and sets out the basis on which the programme is to be initiated, governed and delivered.
- 4 On 15 July 2014, the Cabinet gave its support to the draft Leicester, Leicestershire and Rutland Five Year Health and Social Care Strategic Plan and noted the further work to be undertaken to develop the Plan.
- 5 The Health and Wellbeing Board have received regular BCT programme updates at its meetings. The Board commented on the draft SOC and PID on the 20 November 2014 and its comments were forwarded to the BCT programme office for consideration and are attached to this report as Appendix A.
- 6 On the 14 January 2015, the Cabinet noted the approval by the governing bodies of University Hospitals of Leicester NHS Trust, Leicestershire Partnership NHS Trust and the NHS Clinical Commissioning Groups of the BCT SOC and PID for formal consideration by NHS England and the NHS Trust Development Authority, endorsed the approach set out in the SOC and PID and noted the proposal to commence wider engagement of the public, patients and staff during February and March. Its comments on the SOC and PID are attached as Appendix B.

## **Background**

- 7 The BCT Programme Board is responsible for the production of the Five Year Strategic Plan for the Leicester, Leicestershire and Rutland health and social care system. The Programme Board includes local social care, health commissioners and providers, public and patient representatives. It is supported by a structure of clinical, patient, public, and political reference groups, and enabling groups such as Estates, Workforce and Information Technology, with appropriate representation from the partners.
- 8 The BCT Programme has taken a phased approach to the production of the Five Year Strategic Plan: development (to June 2014); discussion and review (June to September 2014); and implementation and formal consultation where required (October 2014 onwards).
- 9 A first draft of a Five Year Strategic Plan was submitted to NHS England (NHSE) on 4 April 2014. NHSE required Leicester, Leicestershire and Rutland, as a 'unit of planning' to submit a further update of the Five Year Strategic Plan to NHSE on 20 June 2014, that triangulated with local Clinical Commissioning Groups (CCGs), provider, Health and Well Being, Local Authority and Area Team plans. The BCT Board met this requirement.
- 10 The BCT Five Year Strategic Plan is a directional plan for Leicester, Leicestershire and Rutland. It represents the outputs of ongoing collaborative working between health and social care partners across the area and was the basis for more detailed planning which took place during the summer of 2014. As such, there will be further extensive engagement of public, patients, service users, staff and other stakeholders throughout Leicester, Leicestershire and Rutland.
- 11 The Better Care Fund (BCF) submission for Leicestershire was submitted to NHSE and the NHS Trust Development Authority by the NHS CCGs for West Leicestershire, East Leicestershire and Rutland, and Leicester City on 19 September 2014. This had been prepared with the involvement of local authorities, NHS providers and local Healthwatch bodies.
- 12 Following the completion of the Leicester, Leicestershire and Rutland Five Year Strategic Plan in July 2014, subsequently updated in September 2014, the BCT Partnership Board requested the completion of a SOC and PID. Ernst and Young were commissioned to support the Leicester, Leicestershire and Rutland partnership organisations in developing the SOC.
- 13 The PID and SOC have been derived from the analysis, planning and decisions reflected in the Five Year Plan. Whilst the purpose of the SOC is to appraise whether the BCT Programme is the best way of addressing the local case for change and to recommend any supporting resource requirements, the aim of the PID is to provide the authoritative definition of the BCT Programme that sets out the basis on which it is to be initiated, governed and delivered.
- 14 The SOC sets out the case for the BCT Programme as being the preferred way forward to deliver the plans set out in the Five Year Plan. The SOC is designed to be the over-arching business case for all the future transformation business cases which will be required for the system to realise its vision. It has been developed and

reviewed by Ernst and Young through the BCT Partnership Chief Officers, Delivery and Finance Officers groups.

- 15 The PID sets out the policy of the Partnership Board for the management of the BCT Programme. Over its development, comment and input have been received from Ernst and Young, the BCT Clinical Reference Group, Public and Patient Group, Implementation Group, senior Finance staff, and Chief Officers covering both health and social care.
- 16 During November 2014 the programme was externally reviewed by the Office of Government Commerce as part of the ongoing gateway review process. Following this review, approval was given by the Partnership Board at its November meeting to follow a two-step approach in reviewing the drafts.
- 17 The first phase involved presenting a summary of the formal SOC and PID to the BCT Programme Board, Health and Wellbeing Boards, BCT Clinical Reference Group, Public and Patient Group, and Safeguarding Boards for information and initial comment prior to draft versions of the complete documents being made publicly available in January 2015.
- 18 As part of the ongoing engagement programme with communities in developing the proposals, a wider staff and public 'review and discussion' programme is planned for early 2015, including a specific event to engage further with the voluntary sector. Recognising that these documents are written to meet an internal requirement a public version of each will be prepared and circulated for wider public and staff engagement.
- 19 Alongside the ongoing engagement programme a proposed formal consultation plan is presently being developed. A review of the proposals with the Health and Wellbeing Board and Health Overview and Scrutiny Committee will be arranged in 2015. The options for consultation are to be discussed with the Chief Officers in March and a preferred option will then be used to generate a formal consultation plan. This will be shared with the Health and Wellbeing Boards and Health Overview and Scrutiny Committees. This is likely to take place in the summer of 2015.

### **Strategic Outline Case**

- 20 The SOC has been prepared using the Office of Government Commerce's Five Case Model to provide a structured approach in producing the SOC. The five perspectives that the Five Case Model explores are set out below:
  - **The Strategic Case** explores the case for change – exploring why the proposed investment is necessary in the Local Health and Social Care Economy (LHSCE) and how it fits with the overall local and national strategy.
  - **The Economic Case** asks whether the solution being offered represents value for money – it requires alternative solution options to be considered and evaluated.
  - **The Commercial Case** reviews the different approaches to funding the programme and also reviews the relevant commercial arrangements to the decision making process.
  - **The Financial Case** asks whether the financial implication of the proposed investment is affordable and sets out the requirements for Non-Recurrent funding to support the developments described.

- **The Management Case** highlights implementation issues and demonstrates that the LHSCE is capable of delivering the proposed solution.

21 Detailed information about all the five perspectives are contained in the SOC at Appendix C. Given their importance, brief extracts are set out below about the Strategic and Economic cases.

### **Strategic case**

22 The strategic case builds on the models of care developed in the Five Year Strategic Plan, and sets out how the BCT vision will be achieved. This vision is:

*‘...to maximise value for the citizens of Leicester, Leicestershire and Rutland (LLR) by improving the health and wellbeing outcomes that matter to them, their families and carers in a way that enhances the quality of care at the same time as reducing cost across the public sector to within allocated resources by restructuring the provision of safe, high quality services into the most efficient and effective settings’.*

- 23 The vision for the LHSCE is to improve outcomes for patients and service users whilst maintaining an affordable system which can be safe for future generations. It sets out a case for change for the health and social care economy which requires broad changes to models of care to change the traditional reliance on acute-based care, develop more services in the community, and improve primary prevention and identification of people at risk of significant deterioration in their health and quality of life earlier than ever before.
- 24 The financial challenge set out in this document is significant. Modelling conducted during the development of the Five Year Strategic Plan shows that the total gap between income and expenditure for the NHS element of the LHSCE in 2018/19 is £398m before any Cost Improvement Programme/Quality, Innovation, Productivity and Prevention or other projects are modelled. This was in the context of virtually no anticipated increases to real terms funding over the five years, and anticipated increases in the forecast demand brought about by the ageing population and greater numbers of people living with multiple long term conditions. In addition to this, cuts to local government funding have been even more severe, with councils under pressure to radically change the provision of adult social care over the next five years. The overall impact of this funding shortfall in local government is not yet fully known as it is dependent upon political decisions at both a national and local level and the impact of the recent Care Act is yet to be fully assessed, however it is clear that the way we currently deliver services will not be sustainable in the future.
- 25 The strategic case develops a vision for the future in which the community model of care is transformed, with far more provision of care taking place outside hospital in primary, community and home care settings. Reviews which have taken place at University Hospitals of Leicester suggest that a significant number of patients currently in acute beds do not require this enhanced level of care, and that patients can often deteriorate, with increasing levels of dependency the longer they stay in hospital. The plans set out in the strategic case, if fully enacted, will see a significant “left-shift” of care out of acute settings, allowing University Hospitals of Leicester to concentrate on providing care to complex patients and improving the provision of

sub-acute services in community hospitals, and the development of greater capacity in community teams allowing patients to live more independently in their homes. This “left shift” is planned across the spectrum of prevention and care, supporting as many people as possible to live independently through better education and preventative programmes.

- 26 The drive to improve health and social care integration has begun. The BCF will begin to support independent living for patients and service users and the LHSCE will look to develop this model further. The joint health and social care fund has been introduced in 2014/15 and will be expanded in 2015/16 to cover a range of health and social care projects. Many of these changes to services will be targeted at the frail older population and therefore a number of the initiatives are captured in the section of the strategic case which describes the frail older people workstream. The BCF is a key enabler to change and represents the co-dependence of NHS and adult social care services. The Five Year Strategic Plan modelling recognised this importance by assuming that the funding associated with the BCF would be continued through the latter years of the plan, however further work is required to ensure that sufficient support is available to social care over the period of transformation.
- 27 It is anticipated that these changes will lead to the reduction of 427 beds at University Hospitals of Leicester, and allow the organisation to achieve its vision of moving from three to two acute sites by 2018/19, a core strategic objective. However, these changes will require a significant increase in capacity in primary care, social care and community care, and in order to affect these changes at a time when services will necessarily be undergoing disruption requires that plans are put in place during this transition period to allow the changes to the model of care to be made safely and sustainably.
- 28 Workforce remains the single biggest challenge for the transformation of services. New community facilities, services and teams will require significant recruitment and much of this will need to come from the existing workforce as more services are provided outside of an acute setting. The emerging models of care will require a review of both generalist and specialist skill balance; the need to ensure a supply of nurses becoming community focused over time; and the need to ensure more social care staff are available to support people at home.

### **Economic case**

- 29 The economic case explores the potential alternative options for delivering the vision set out in the Five Year Strategic Plan. Three alternatives are considered:
- i) Delivery through the BCT strategy;
  - ii) Delivery of financial balance through organisational efficiency alone (do minimum option); or
  - iii) Ceasing delivery of non-agreed services to regain financial balance.
- 30 It finds that when set against the Critical Success Factors adopted by the programme and set out in the PID, the BCT programme option is the most able to deliver the qualitative benefits for patients and service users, in a way which is achievable and affordable. Delivery of financial balance through organisational efficiency alone, without working as part of system, would require internal organisational savings

programmes well above the level deemed sustainable, and in addition would pose significant risks to the integrated working which has underpinned the programme so far. An alternative option of ceasing delivery of non-agreed services was also considered, however the impact on patient safety and the risks posed by an uncertain legal process were considered to be too great for the LHSCE to take on.

- 31 Given this qualitative discussion, the BCT programme was economically assessed against the “do minimum” option. The do minimum option assumed that organisations attempted to make savings until such point as they were deemed to be unsustainable, at which point it was probable that an external party would place one or both local providers into an administration process, adding further cost and delay to the decision to find a sustainable solution. The anticipated impact of this delay and additional uncertainty has been calculated in the economic case and the net present cost was compared against the BCT option, as below:

Costs/(Benefits )	RANK	14/15 (£m)	15/16 (£m)	16/17 (£m)	17/18 (£m)	18/19 (£m)	19/20 (£m)	20/21 (£m)	Total (£m)
BCT Option	1	(31,580)	74,785	93,990	103,778	19,166	(78,422)	(66,711)	115,007
Do Minimum Option	2	(29,878)	84,079	101,808	106,918	16,677	(62,014)	(84,946)	132,644

- 32 The conclusion of the economic case is therefore that the LHSCE should support the BCT programme as the only viable way of achieving quality and financial sustainability across Leicester, Leicestershire and Rutland.

### **Resources Implications**

- 33 A funding gap of £398m in the local health economy has been identified by 2018/19 if no action is taken. In addition to this, local authorities will require even more significant savings and the details of these are still being worked through.
- 34 The funding required to deliver the transformation within the Five Year Strategy is significant and would entail both capital and revenue elements estimated at £430m and £256m respectively. The SOC was intended to provide a robust business case for the programme and would be used to commence discussions regarding funding with the NHS Trust Development Authority and NHS England.
- 35 Additional adult social care services will be required to implement the proposed changes as more support is delivered in community settings, rather than acute hospitals. An indicative figure of £5m across Leicester, Leicestershire and Rutland has been identified and included in the SOC for the bed reconfiguration workstream. It is recognised that more detailed modelling work is required to validate the size of this figure, determine the social care implications from other workstreams in the Five Year Strategy and agree overall funding arrangements.
- 36 The Director of Corporate Resources and the County Solicitor have been consulted on the contents of this report.

### **Timetable for Decisions (including Scrutiny)**

- 37 As part of the ongoing engagement programme with communities in developing the proposals, a wider staff and public ‘review and discussion’ programme is planned for early 2015, including a specific event to further engage the voluntary sector. A public engagement programme is planned to commence in early March and will see among other activities a mobile unit visiting various sites across Leicester, Leicestershire and

Rutland. The proposed plans have been shared with the Patient and Public Involvement Reference Group. The voluntary sector event is presently planned for April 2015.

- 38 Alongside the ongoing engagement programme, a proposed formal consultation plan is being developed. Upon completion, the plan will be reviewed and agreed by the Health and Wellbeing Board and the Health Overview and Scrutiny Committee. The options for consultation are to be discussed with the Chief Officers in March and a preferred option will then be used to generate a formal consultation plan. This will be shared with the Health and Wellbeing Boards and Health Overview and Scrutiny Committees. This is likely to take place in the summer of 2015.

### **Background Papers**

- Report to the Cabinet: 15 July 2014 - Leicester, Leicestershire and Rutland Five Year Health and Social Care Strategic Plan 2014-19  
[http://politics.leics.gov.uk/Published/C00000135/M00003992/AI00038784/\\$7LLR5YrHSCeconomyStrategy.docA.ps.pdf](http://politics.leics.gov.uk/Published/C00000135/M00003992/AI00038784/$7LLR5YrHSCeconomyStrategy.docA.ps.pdf)
- Report to the Health and Wellbeing Board: 20 November 2014 – Summary of the Five Year Strategic Plan, Strategic Outline Business Case and Programme Initiation Document  
[http://politics.leics.gov.uk/Published/C00001038/M00003985/AI00040066/\\$BetterCareTogether.pdfA.ps.pdf](http://politics.leics.gov.uk/Published/C00001038/M00003985/AI00040066/$BetterCareTogether.pdfA.ps.pdf)
- Report to the Cabinet: 15 January 2015 – Better Care Together – Leicester, Leicestershire and Rutland Five Year Strategic Plan 2014-19  
[http://politics.leics.gov.uk/Published/C00000135/M00004223/AI00040407/\\$81JanuaryLLRBCTFiveYearStrategicPlan2.docA.ps.pdf](http://politics.leics.gov.uk/Published/C00000135/M00004223/AI00040407/$81JanuaryLLRBCTFiveYearStrategicPlan2.docA.ps.pdf)

### **Circulation under the Local Issues Alert Procedure**

None.

### **Officers to Contact**

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### **Appendices**

Appendix A – Minute Extract from the Health and Wellbeing Board: 20 November 2014  
Appendix B – Minute Extract from the Cabinet: 14 January 2015  
Appendix C – Better Care Together Strategic Outline Case: November 2014  
Appendix D - Better Care Together Programme Initiation Document

### **Relevant Impact Assessments**

- 39 Business cases, including impact assessments, will be developed when the final plan is approved and implementation commences.

### **Equality and Human Rights Implications**

- 40 The BCT programme is working with equality and diversity leads from member organisations, to agree a consistent, appropriate and proportionate approach to

undertaking an Equality and Human Rights Impact Assessment (EHRIA) of the directional Five Year Strategic Plan and, once developed, intervention business cases. This approach will be articulated in an Equality and Diversity Strategy for the Programme.

- 41 The EHRIA will consider how the draft strategic plan addresses the needs of Leicester, Leicestershire and Rutland's diverse communities, and assess the impact of the plan on individuals and communities. It will use the evidence base provided in the three Joint Strategic Needs Assessments and other sources of evidence for the plans actual or potential impact as appropriate. The accompanying EHRIA will document the engagement undertaken, and how the strategic plan has been amended in response.
- 42 An EHRIA will be undertaken for the business case developed for each intervention. The BCT partners will engage with the appropriate section(s) of the community, as relevant and proportionate to the proposed pathway changes. Due regard to equality will be taken in the development of each business case. Commissioning and provider partners engaged in service redesign as part of the implementation of the strategic plan, once approved by members and the Programme Board will be expected to ensure that the needs of communities are addressed in commissioned changes.

#### Partnership working and associated issues

- 43 BCT is a partnership of NHS organisations and local authorities in Leicester, Leicestershire and Rutland working with local Healthwatch.

#### Risk Assessment

- 44 Effective risk management is recognised as key to ensuring effective and safe outcomes within agreed timescales. The approach to establishing a risk management strategy is being established around the Office of Government Commerce Best Practice – Gateway to success principles. A risk register was established identifying the major programme risks and mitigating actions during the programme brief development stage, July to September 2014.





**HEALTH AND WELLBEING BOARD: 20 NOVEMBER 2014**

**SUMMARY OF THE FIVE YEAR STRATEGIC PLAN, STRATEGIC OUTLINE BUSINESS CASE AND PROGRAMME INITIATION DOCUMENT**

**MINUTE EXTRACT**

Minutes:

The Board considered a report from the Better Care Together Programme which provided a summary of the work done across the Leicester, Leicestershire and Rutland health and social care economy, through the Better Care Together Programme, to develop plans to transform local services in order to assure their long term clinical, operational and financial viability. A copy of the report marked 'Agenda Item 6' is filed with these minutes.

The Board welcomed the report and members of the Board who were also members of the Better Care Together Partnership Board expressed the view that the Five Year Strategy accurately reflected the local authority and social care challenges, as well as those facing the NHS. It was noted that Healthwatch also welcomed the Strategy as the appropriate way forward for local health and social care services.

It was noted that an accessible version of the Better Care Together Five Year Strategy, Strategic Outline Case and Project Initiation Document would be produced. It was also intended that public engagement on these documents would take place during the spring.

The Five Year Strategy contained a high level summary of the key interventions required across the health and social care system in order to deliver the required improvements. These would now be developed into specific actions. It was noted that, where necessary, public consultation would be carried out before decisions were taken.

The outcome of the Office of Government Commerce review which had examined initial progress made by the Better Care Together programme had been broadly favourable. Recommendations arising from the review were being taken forward by the Partnership Board.

The funding required to deliver the transformation within the Five Year Strategy was significant and would entail both capital and revenue elements estimated at £430m and £256m respectively. The Strategic Outline Case was intended to provide a robust business case for the programme and would be used to commence discussions regarding funding with the Trust Development Authority and NHS England.

## RESOLVED:

- (a) That the development of a draft strategic outline case and programme initiation document to support the LLR five year strategic plan be noted;
- (b) That the comments now made on the draft strategic outline case and programme initiation document be forwarded to the Better Care Together programme office for consideration.



**CABINET: 14 JANUARY 2015**

**BETTER CARE TOGETHER – LEICESTER, LEICESTERSHIRE AND RUTLAND FIVE YEAR STRATEGIC PLAN 2014-2019**

**MINUTE EXTRACT**

Minutes:

The Cabinet considered a report of the Director of Adults and Communities which presented the Better Care Together Strategic Outline Case and Programme Initiation Document which would support the Leicester, Leicestershire and Rutland Five Year Strategic Plan 2014-2019 for health and social care services. A copy of the report, marked '8', is filed with these minutes.

Mr. White CC said that the Adults and Communities Department had a key role in the development of the hugely ambitious Plan, and noted that there were considerable risks in the process of integrating health and social care. He hoped that there would be further reports to the Cabinet on the matter.

Mr. Houseman CC said that he wholeheartedly supported the Plan but drew members' attention to the significant risks presented by the substantial and on-going reductions in Government funding. Furthermore, demand was increasing and the Council would take on more duties under the Care Act. Mr. Houseman said that health and social care integration required careful planning and coordination, and investment to enable this needed to be allocated.

Mr. Ould CC suggested that health and social care issues for children and young people should be given more prominence, noting that the Strategic Outline Case referred to the 'vast and complicated' child health agenda which was inadequately addressed in the existing health care system.

RESOLVED:

- (a) That the approval by the governing bodies of University Hospitals of Leicester NHS Trust, Leicestershire Partnership NHS Trust and the NHS Clinical Commissioning Groups of the Better Care Together Strategic Outline Case and Programme Initiation Document for formal consideration by NHS England and the NHS Trust Development Authority be noted;

- (b) That the approach set out within the Strategic Outline Case and Programme Initiation Document (Appendices C and D to the report respectively) be endorsed;
- (c) That the proposal to commence wider engagement of the public, patients, and staff with the Five Year Strategic Plan, Strategic Outline Case, and Programme Initiation Document during February and March 2015 be noted.

REASON FOR DECISION:

Better Care Together (BCT) is the biggest ever review of health and social care in Leicester, Leicestershire and Rutland. The County Council is a key member of the partnership of NHS organisations and local authorities across the area. All governing bodies of the partners are being asked to give formal consideration to the Strategic Outline Case (SOC) and Project Initiation Document (PID). The SOC sets out the business case for the BCT programme as being the preferred way forward to deliver the plans set out in the Five Year Strategic Plan. The PID defines the BCT programme and sets out the basis on which the programme is to be initiated, governed and delivered.