

Report of:	Meeting	Date	Item no.
Cllr Peter Gibson, Leader of the Council and Garry Payne, Chief Executive	Council	6 April 2017	12

## Exploring different delivery models for future public services in Wyre

### 1. Purpose of report

- 1.1 To provide options around different delivery models for future public service delivery in Wyre.

### 2. Outcomes

- 2.1 Sustainable and integrated public services for the residents of Wyre.
- 2.2 Cost effective, quality services.

### 3. Recommendation/s

- 3.1 That full Council note the report and give authority to Officers to start discussions with key partners (Blackpool Council, Fylde Council, Lancashire County Council, Police and Crime Commissioner for Lancashire, Lancashire Combined Fire Authority and the four CCG's (Fylde & Wyre, Blackpool, Greater Preston and Morecambe Bay)) on the proposed Fylde Coast Collaborative model of service delivery (as set out at paragraph 5.2.5).
- 3.2 That the Council supports the development and the principles of a Multispeciality Community Provider (MCP) model for Fylde and Wyre.

### 4. Background

- 4.1 All public services are faced with significant challenges including increasing demand-led pressures, expectations and an ageing population against a backdrop of reduced central government funding. Wyre Council has continued to evolve and adapt to respond to such challenges but we are still faced with a potential £2.2m gap in 2020/21. These factors ultimately lead to the need to explore whether the current two-tier governance structure is effectively working for Wyre and our residents.

- 4.2** Over the last 12 months, local government has witnessed a number of developments which could fundamentally reshape local public services. Alongside continuing budget pressures, devolution deals and wider public service reforms, there has also been a change in Government policy on local government reorganisation. The Cities and Local Government Devolution Bill includes an invitation for unitary proposals that do not require the consent of all partners. Government has also stated their support for local areas to have discussions about structural reform.
- 4.3** Combined Authorities were the ‘main game in town’ with respect to devolution and local growth but in the November 2016 Autumn Statement, there was little clarity or direction around this and no new deals or agreements were announced. A number of agreements have also been withdrawn including the North East Combined Authority, East Anglia and Greater Lincolnshire.
- 4.4** Lancashire continues to progress the Combined Authority route and a shadow Lancashire Combined Authority (LCA) was formed. In December 2015, full Council made a decision not to be part of the LCA due to a significant lack of information on the benefits and costs associated with it. Fylde Council have now also indicated that they are withdrawing their support for the LCA and devolution. The fact that Wyre and Fylde do not support the establishment of a LCA puts the formation of a LCA at considerable risk.
- 4.5** Various discussions have started across Lancashire to explore different service models for public services especially in the light of the financial challenges faced by Lancashire County Council (LCC) and the potential impact this will have on local services and residents. LCC is currently not in a sustainable financial position and is forecast to have a cumulative deficit of £411m by the end of 2020/21 and an in year deficit that year of £146m. In this context, LCC commissioned PWC to undertake work to develop a new public sector operating model for Lancashire. This report was published in early February and sets out a proposed Lancashire Public Services Model. (It is understood there has been no formal approval of this new model.) The report was very disappointing and the role of District Councils was somewhat overlooked with the main suggestion being that waste collection services would transfer to the LCA.
- 4.6** Different service delivery models are also emerging through our health partners which are important to consider as part of any structural reform. For example, the NHS Five Year Forward View Planning Guidance required every local health and care system in England to create a Sustainability and Transformation Plan (STP). An STP is a new planning framework for NHS services and is intended to be a health blueprint for delivering the ambitions NHS bodies have for a transformed health service. STPs are:

- Based on a 'place' footprint rather than single organisations (our STP footprint being Lancashire and South Cumbria)
- Umbrella strategies, spanning a range of delivery plans which may cover different geographies (in our case one for The Fylde Coast and a more local one for Fylde and Wyre) or types of services
- Required to cover the full range of health services in the footprint, from primary care to specialist provision, with an expectation that they will also cover local government (especially social care) provision

**4.7** Public Sector agencies agree that future services must be better organised and delivered to get the best possible health and wellbeing outcomes for citizens of all ages and communities. These services must be in the right place – which is in our neighbourhoods, making the most of the strengths and resources of the community as well as meeting their needs. Care, information and advice must be available at the right time, provided proactively to avoid escalating ill health and with an emphasis on wellness. Services must be designed with citizens and centred on the needs of the individual, with easy and equitable access for all and making best use of community provision. These services must also be provided by the most appropriate body.

**4.8** District Councils provide services that have a direct impact upon the health and wellbeing of their communities. Districts are by their nature and size in touch with their communities and as a result communities directly benefit from that close relationship. A paper produced by The Kings Fund: “The district council contribution to public health: a time of challenge and opportunity” clearly evidences the important role that District Councils play.

**4.9** On a local footprint, led by Fylde and Wyre Clinical Commissioning Group, discussions have begun regarding the potential development of a Multispeciality Community Provider (MCP). Initial discussions have focussed on our population and health care challenges, the development of new models of care to meet these challenges and key organisational design characteristics and participation options. Collaborative purpose, the case for change, service scope and phasing together with provider and commissioner functions, leadership, governance and legal arrangements of an MCP must also be considered.

## **5. Key issues and proposals**

**5.1** It is unlikely that public services in Wyre are going to be successfully transformed and become more sustainable if we continue operating within the current two-tier governance structure. Research shows that different services and functions are best suited to different population sizes and geographical footprints. Some need to be delivered at scale on a larger geographical footprint than others in order for them to be more efficient and sustainable e.g. adult social care, children’s social care, transport and education. Whereas other services may benefit from better

collaboration between neighbouring District authorities stakeholders and partners. However, there is no need to lose current democratic accountability.

**5.2** A number of different service delivery options have been explored and these are set out below.

**5.2.1 Do Nothing** – as mentioned above at 5.1, the status quo is unlikely to be sustainable based on the financial challenges faced by all public services. There is a danger that if we do nothing our communities will lose many vital services and demand will only continue to increase and become unmanageable.

**5.2.2 Unitary Wyre** – There have been indications that the new Communities for Local Government Secretary of State is prepared to determine unitary proposals. He is not requiring local consensus before making such a determination but it is believed that unitary proposals are preferred for population sizes between 300,000 and 700,000. For this reason, there seems little point considering the unitary option as Wyre does not have the scale that Central Government would be seeking in creating new unitaries. A number of councils are still pursuing this route including Chorley Council and these could be viewed as ‘test cases’ which, if successful, could lead to the option being re-evaluated.

**5.2.3 A single Lancashire Unitary Authority** – Structural reform research carried out on behalf of the County Council network has shown that if looking purely at financial drivers then creating a single authority within a county area has the largest capacity for savings. The research suggests the most effective foundations for structural reform are building on the scale and geography of county councils. What this research does not address is the quality of the service provision or the risk of losing local identity and democratic accountability. A Lancashire Unitary would cover a population of 1.45 million. It is felt that this option would be detrimental to local accountability and the quality services that Wyre currently delivers. In addition, there is also the current financial predicament that LCC face, in that they may not be able to set a balanced budget for 2018/19 and if that is the case they may be the subject of Government intervention.

**5.2.4 Merged District Authorities** – This option would see all local authority controlled service expenditure across Lancashire managed through two tiers of governance with consolidation of the District tier of governance across Lancashire. This option of reorganisation is being explored across a number of areas with districts in East Kent, Suffolk and Somerset making public their intentions to explore a merger of district councils. It is not clear how merging district functions would improve public services

across Lancashire.

**5.2.5 Fylde Coast Collaborative Model** – This option reflects that different services and functions are better delivered at different geographical levels and also by different partners. There are clear synergies and opportunities to be realised by working across the Fylde Coast and there are already some good examples of working together e.g. recent success in the DCLG homelessness trailblazer project. This model could be achieved with less structural reform than other options and does not affect elected member sovereignty or local democratic accountability. The table below sets out the different elements of the collaborative model.

<b>Spatial Level</b>	<b>Lead Public Service provider</b>	<b>Function</b>
Borough level	Wyre / Fylde / Blackpool Councils	This would include services which are best placed to be delivered at a District level, statutory officers and the democratic core.
Across Wyre and Fylde	Fylde and Wyre CCG – Multispeciality Community Provider (MCP)	This would include public health, adult social care and other health related services (including, potentially, District Council Services where appropriate).
Pan-Fylde Coast (pop. 325,571)	Shared responsibility	Explore opportunities for more shared services across the Fylde coast.

**5.3** It is well documented that within the public sector, health is an area where there is both the greatest service demand and greatest spend. The Fylde Coast Collaborative model provides the best opportunity to investigate new models of service delivery that would not only deliver savings but would allow focus on our principle shared priority – improving the health and wellbeing of our community. The collaborative model allows services to be delivered at the right spatial level and does not affect elected member sovereignty with the local democratic core being retained by the borough.

- 5.4** Working across Wyre and Fylde, the Multispeciality Community Provider (MCP) model provides partners with the opportunity to formally work together to deliver improved outcomes and financial savings. An MCP is about integration and currently on the Fylde Coast public sector agencies including the CCGs, Lancashire County Council and the Districts (Fylde & Wyre) operate within different geographical boundaries and the boundaries make it harder to provide joined-up care that is preventative, high quality and efficient. The MCP model dissolves the divides. It involves redesigning care around the health of the population, irrespective of existing institutional arrangements. It is about creating a new system of care delivery that is backed up by a new financial and business model. The underlying logic of an MCP is that by focusing on prevention and redesigning care, it is possible to improve health and wellbeing, achieve better quality, reduce avoidable hospital admissions and elective activity, and unlock more efficient ways of delivering care. We expect that a Fylde and Wyre MCP will exist, in shadow form, sometime over the next year.
- 5.5** The Fylde Coast Collaborative model offers opportunities to explore shared service responsibility for both front and back office functions to deliver savings across the Fylde Coast.
- 5.6** Working collaboratively with other local authorities and public services across the Fylde Coast is the most advantageous in terms of achieving sustainable public services whilst retaining community identity and local democratic accountability.

<b>Financial and legal implications</b>	
Finance	None arising from this report.
Legal	None at this stage.

#### **Other risks/implications: checklist**

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

<b>risks/implications</b>	<b>✓ / x</b>
community safety	<b>x</b>
equality and diversity	<b>x</b>
sustainability	<b>x</b>
health and safety	<b>x</b>

<b>risks/implications</b>	<b>✓ / x</b>
asset management	<b>x</b>
climate change	<b>x</b>
data protection	<b>x</b>

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<b>List of background papers:</b>		
name of document	date	where available for inspection

**List of appendices**

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