

## Summary Sheet:

### Meeting in Public of North West London Collaboration of Clinical Commissioning Groups

<b>Date</b>	27 March 2014
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<b>Title of paper</b>	North West London CCGs - The future of collaborative working
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<b>Presenter &amp; Organisation</b>	CCG Chair
<b>Author</b>	Daniel Elkeles, Accountable Officer Rob Larkman, Accountable Officer
<b>Responsible Director</b>	Daniel Elkeles, Accountable Officer Rob Larkman, Accountable Officer
<b>Clinical Lead</b>	n/a
<b>Confidential</b>	This paper is to be discussed in public.

<b>The Governing body is asked to:</b>
Note the contents of the attached and agree the decisions that are brought to the meeting.

<b>Summary of purpose and scope of report</b>
<p>The eight North West London CCGs are working closely to deliver improvements to services across the area. Initiatives are currently underway to develop a joint approach on the following areas:</p> <ol style="list-style-type: none"><li>1. The future of Commissioning Support Services;</li><li>2. Primary Care Co-commissioning with NHS England; and</li><li>3. Financial strategy to deliver Shaping a Healthier Future.</li></ol> <p>These three areas are complementary and interdependent. If some elements are not agreed it is likely the entire package will need to be reconsidered.</p> <p>We have also identified proposed CCG collaborative governance arrangements to implement the recommendations.</p> <p>All aspects of the NWL financial strategy are subject to NHS England agreement as part of their review and sign-off of 14/15 Operating Plans for all CCGs, and as part of this, ensuring adherence to statutory and other requirements on CCGs.</p>

The eight North West London CCG chairs are asked to agree the recommendations set out below on behalf of their Governing Bodies.

#### **Commissioning support services**

1. Note the work in progress to review the options for the future commissioning support services for the 8 NWL CCGs.
2. Take forward a full business case to be completed by the end of April.
3. Note that NHS England are undertaking an assurance process of the business case development and will provide their assessment to the Governing Bodies prior to the end of April.
4. To agree to assign resources to ensure that the full business case can be completed by the end of April.

#### **Primary care co-commissioning**

5. That the CCGs endorse the direction of travel for primary care transformation in NWL, and therefore the rationale for exploring a new co-commissioning arrangement with NHS England
6. That the CCGs agree what information they will require to enable them to make a formal decision at the end of April on whether the CCGs and NHS England should embark on a new co-commissioning arrangement.

#### **Financial strategy**

7. That the NWL Financial Strategy for 2014/15 to 2018/19 is approved for further discussion with NHSE England.
8. That a finance committee is set up as part of the Collaboration Board to oversee the implementation and delivery of this strategy. This committee would be tasked with monitoring / reviewing progress in implementing the strategy and updating it each year to make recommendations on the required contribution to each Governing Body for the following year's strategy.

#### **Governance**

9. That the terms of reference for the NW London CCG Collaboration Board are revised to enable it to take on the additional functions contained within this paper. The revised Terms of Reference will be brought to a future meeting of the Governing Body for approval.
10. To support the recommendation that the directors working across the eight NWL CCGs would be accountable to the Collaboration Board and line managed by the Accountable Officer for CWHHE or the Accountable Officer for BHH.
11. Governing Bodies to consider whether to have one or two members each on the Collaboration Board.
12. That a programme of Organisational Development for the members of the Collaboration Board be designed.

#### **Next steps**

The eight NWL CCG chairs are asked to agree to the recommendations set out in this paper on behalf of their Governing Bodies.

#### **Quality & Safety/ Patient Engagement/ Impact on patient services:**

n/a

#### **Financial and resource implications**

No additional resources other than currently funded for CSU; with intention to have a reduction in cost. The financial parts of the papers have been developed by or with the Chief Finance Officer.

#### **Equality / Human Rights / Privacy impact analysis**

n/a

**Risk**

More detailed risk register will be developed as part of transition planning phase and will be brought back to the CCG.

**Supporting documents**

North West London CCGs: The future of collaborative working – summary paper

**Governance and reporting**

<b>Committee name</b>	<b>Date discussed</b>	<b>Outcome</b>
Name	DD/MM/YYYY	

# North West London CCGs: The future of collaborative working

## 1. Purpose of this paper

- 1.1 This paper sets out recommendations on how the eight CCGs in NW London should collaborate from April 2014. It builds on the successful collaboration that has taken place in their first year, 2013/14.
- 1.2 The recommendations have come out of a series of meetings that the eight NW London CCG Chairs have held with their Chief Officers, Chief Financial Officers and Director of Strategy. The recommendations cover three functional areas:
  - The future of Commissioning Support Services;
  - Primary Care Co-commissioning with NHS England; and
  - Financial strategy to deliver Shaping a Healthier Future.
- 1.3 The paper also sets out the proposed CCG collaborative governance arrangements required to implement these recommendations.
- 1.4 In agreeing this package of recommendations the governing bodies should be clear that these three elements are complementary and interdependent, so it will be important that all three areas are agreed. If some elements are not agreed then it is likely the entire package will need to be reconsidered.
- 1.5 All aspects of the NWL financial strategy are subject to NHS England agreement as part of their review and sign-off of 14/15 Operating Plans for all CCGs, and as part of this, ensuring adherence to statutory and other requirements on CCGs.
- 1.6 The detailed recommendations on the future of Commissioning Support Services will be set out in a business case, which will be circulated to Governing Bodies on 21st March. This business case has been shared in draft form with CCG chairs during its development.

**1.7 Each of the eight CCG governing bodies will meet in public during the week commencing 24th March 2014 to discuss the recommendations set out in this paper and the supporting documentation. The eight governing bodies are asked to agree to the recommendations set out in this paper and to invest in their Chair the authority to make a final decision on 27th March 2014 together with the other NW London CCG chairs at a meeting of the North West London Collaboration Board, which will also be held in public. This authority will apply only to the decision making for the three areas covered in this paper.**

## **2. Introduction**

2.1 The eight CCGs in NW London have now had a year of successfully collaborating which has enabled them to make good progress in delivering Shaping a Healthier Future (SaHF). Some of the achievements have been:

- Setting up and running the Collaboration Board which directs the implementation of Shaping a Healthier Future;
- Setting up a strategy team across the CCGs to lead on a range of transformation programmes;
- Agreeing a financial strategy to enable the first year of implementing Shaping a Healthier Future;
- Being selected as one of the 14 national Integrated Care Pioneers;
- Being selected as one of the national 7 day early adopters; and
- Submitting a pan North West London application for the Prime Minister's Challenge Fund covering 385 of North West London's GP practices.

2.2 In developing the plans for implementing Shaping a Healthier Future three major challenges have emerged during the year which must be successfully addressed to deliver the programme. They are:

- The need to ensure that commissioning support services are closely aligned with the delivery of Shaping a Healthier Future;
- The difficulty in delivering North West London's Out of Hospital strategies without being able to influence and invest in primary care; and
- The huge variation in funding across the eight CCGs as measured by their relative distances from target allocations. This means that not all the CCGs can invest in their Out of Hospital Strategies to successfully deliver Shaping a Healthier Future.

2.3 In addition it is also clear that Information Technology will be one of the biggest enablers of change and it would be desirable to have an IT strategy across the eight CCGs and all North West London's main providers.

2.4 North West London CCGs also need to find ways of reducing management costs by 10% in 2015/16 which equates to approximately £5m across the eight CCGs.

2.5 The eight CCG Chairs have held a series of meetings over the last three months to see if by working more closely together they could provide solutions.

### **3. Working together more closely**

- 3.1 The CCG Chairs and Officers have spent some time exploring what levels of collaboration should be considered in tackling these issues. They have concluded that the current arrangements with eight sovereign CCGs in two groupings with two management teams but with further joint working set out in this paper to tackle the CSU, primary care co-commissioning and financial strategy will be the best configuration for the current time. In reaching this conclusion the merits of creating a single CCG and also creating a single management team whilst keeping eight CCGs have been considered.
- 3.2 The rationale for this is that the CCGs in NW London have managed to overcome two of the biggest challenges PCTs faced. Firstly there is now good engagement with General Practices across each Borough which the clinical leadership of the CCGs are nurturing and developing. Secondly the relationships with the Local Authorities are much more constructive based on the common interest between the GPs and Councillors in their own local communities. No one wishes to lose this level of local engagement and it is considered that there is too great a risk, at this time, that this could be lost if the CCGs moved to cover a larger footprint. The same issue applied to sovereignty. It is strongly felt that what makes the CCGs effective is their ability to take decisions locally. There is limited support for delegating existing decision making functions to a 'Joint Committee' model akin to how the PCTs operated in recent years in relation to Shaping a Healthier Future. Keeping this level of local sovereignty requires sufficient senior management capacity at a local level to manage the effective functioning of the Governing bodies and the local external relationships. It was concluded that the structure of the two management teams across the CCG groupings is best able to deliver this.
- 3.3 The recommendations for joint working contained in this paper do not depart from these principles. None of the recommendations result in a delegation of decision making or loss of sovereignty by any of the CCGs. The recommendations allow the CCGs to exercise new functions and take on new responsibilities that currently are not possible.

### **4. Commissioning Support**

- 4.1 The current contract which the 8 CCGs have with the North West London CSU for the provision of commissioning support services expires on September 2014

## North West London Collaboration of Clinical Commissioning Groups

- 4.2 All 8 CCGs are now facing new challenges as we pursue our ambitious plans for implementing Shaping a Healthier Future and introducing models of whole systems integrated care (WSIC) as a WSIC Pioneer. The CCGs wish to consider how the provision of Commissioning support services can now best meet their needs.
- 4.3 Both groupings of CCGs commissioned an external review of their CSU services to consider the different ways in which they could be provided in the future
- 4.4 These external reviews made a number of suggestions for different models of service provision that might make a better strategic fit with the CCGs. The recommendations acknowledge the importance of the benefit of the CCGs working together and that it may be less desirable for the two CCG Groupings to manage support services separately rather than collectively across the NWL CCGs. This was for four reasons:
1. North West London has providers who span the eight such as Imperial and CNWL which would be harder to commission if they weren't commissioned together.
  2. There are some services which work very effectively across the eight and the review recommended that this should continue.
  3. It would be less cost efficient to set up two separate sets of commissioning support services. As a principle, the CCGs have decided to act together and agree to the same configuration of their services
  4. There is a management cost saving target on 2015/16 and the review considered how this could be addressed with the potential options.
- 4.5 The eight CCG Chairs met in February and agreed that they would review the proposals of the external reviews and consider the options available to them. It was agreed that they should commission a business case which would set out the options for the future of commissioning support services for consideration by CCG Governing Bodies.
- 4.6 The full business case will be available by the end of April and will set out a recommended option for the future of commissioning support services for the North West London CCGs.



4.7 Throughout March, the CCGs will work with NHS England London, the Business Development Unit (the BDU), the NWL CSU and other stakeholders of the CSU in order to develop a business case that is sufficiently detailed to enable the CCG governing bodies to take a decision on the future of commissioning support services.

### **Business Case**

4.8 The Business case will use the following criteria to assess the options:

- Outcome and Quality
- Responsiveness and Integration
- Affordability
- Value for Money

### **Assurance**

4.9 NHS England, London and the BDU together have set up an Assurance Steering Group which continues to meet weekly throughout March to inform and assure the development of the business case. Draft copies of the business case will be shared with NHS England as it has developed.

4.10 NHS England, London and the BDU are planning to issue statements setting out their views on these proposals in order to inform decision making of the full business case at the end of April. The assurance they will be looking to have addressed include:

4.11 There needs to be clarity on the governance arrangements that would be put in place

- The business case should demonstrate value for money in the preferred option
- There needs to be clarity on how stranded costs will be treated in each option
- There needs to be clarity on how BI will operate.
- Consideration should be given to the impact of any changes on staff and how this will be handled.

The business case will address each of these areas.

## Next steps

### Recommendations - Commissioning Support

1. That the Governing Body notes the work in progress to review the options for the future commissioning support services for the 8 NWL CSUs
2. That the Governing Body wishes to see a Full Business Case by the end of April.
3. That the Governing Body note that NHS England are undertaking an assurance process of the business case development and will provide their assessment to the Governing Bodies prior to the end of April
4. That the Governing Body agrees to assign resources to ensure that the Full Business Case can be completed by the end of April.

## 5 Primary Care Co-commissioning

- 5.1 It has become increasingly apparent that delivering the CCGs Out of Hospital (OOH) strategies and in particular delivering the Whole Systems Integrated Care Programme is being frustrated by the separation of commissioning responsibilities for primary care. NHS England recognises this challenge and has identified North West London as a partner for trialling a new “co-commissioning arrangement” in primary care.
- 5.2 There is a clear rationale for exploring a new arrangement:
  - North West London has been selected as a national integrated care **pioneer**. The vision of the programme is to improve quality of care, and empower people. At the centre of this vision is primary care, responsible for organising and coordinating care.
  - It has become clear in the co-design phase of the programme, that **primary care requires investment and development** as a provider organisation in order to fulfil this role. Current commissioning arrangements mean that North West London commissioners cannot commission the change required in primary care, like they can with other providers. Co-commissioning provides the chance for **greater involvement** in this area, and the opportunity to explore changes to the national contract to support North West London transformation.
  - NHS England (London) has developed a ‘**case for change**’ for the transformation of primary care, and is open to exploring new commissioning arrangements to support North West London’s plans for Whole Systems of Integrated Care. This vision for primary care is based on networks of practices, aligned to an integrated care system,

which is congruent with the North West London Whole Systems of Integrated Care programme.

- NHS England is separately embarking on a **series of initiatives** to transform primary care, including: a personal medical services (PMS) contracting review, phasing out minimum practice income guarantee (MPIG), and a review of primary care standards. Co-commissioning could provide North West London with the ability to influence these initiatives as they develop, so that they support the transformation required for Whole Systems of Integrated Care.

5.3 There is no national guidance on how primary care could be co-commissioned. The CCG Chairs tasked Thirza Sawtell, Director of Strategy, to work with NHS England on the scope and deliverables for a piece of work on co-commissioning.

5.4 The key question that we are seeking to answer through this work is: *what may need to change in today's commissioning arrangements to achieve the vision for primary care transformation and whole systems integration in North West London?* The sub-questions that will be considered include:

- What is the vision of care for the people of North West London?
- How are North West London CCGs and early adopters seeking to realise this vision?
- What are the barriers to achieving this vision in today's commissioning arrangements?
- What changes in today's commissioning arrangements could help overcome these barriers e.g. in the following areas:
  - Strategic decision-making
  - Management of budgets
  - Performance improvement and management
  - Contracting and payment mechanisms
  - Governance and organisation
- What is the plan for implementation (including road-map and detailed implementation plan)?

5.5 It is planned that the scope of co-commissioning will be agreed at a kick-off meeting on 20th March, enabling a formal decision to be made at the end of April on whether the CCGs and NHS England should formally embark on co-commissioning and if so, what this arrangement could look like.

- 5.6 A paper setting out the outputs of the meeting on 20th March will be sent to CCG Governing Bodies on 21st March 2014.

#### Recommendations - Primary Care Co-Commissioning

5. That the CCGs endorse the direction of travel for primary care transformation in NWL, and therefore the rationale for exploring a new co-commissioning arrangement with NHS England.
6. That the CCGs agree what information they will require to enable them to make a formal decision at the end of April on whether the CCGs and NHS England should embark on a new co-commissioning arrangement.

## 6 Financial strategy

- 6.1 All aspects of the NWL financial strategy are subject to the agreement of NHS England who are assuring themselves of the mechanism we have adopted ...
- 6.2 The NW London CCGs (and before April 2013 the NW London PCTs) have had a strong track record of managing the NW London financial situation to enable strategic delivery. In this financial year the CCGs have pooled the nationally mandated 2% 'top slice' to enable the central Shaping a Healthier Future programme to be resourced and to set up the major transformation programmes, as well as supporting some provider transition costs.
- 6.3 The CCG Chairs tasked their Chief Financial Officers, Jonathan Wise and Clare Parker to draw up a financial strategy for the next 5 years as part of the NHS England Operating Plan guidance that requires the CCGs to develop a 5 year strategy.
- 6.4 For this 5 year plan from 2014/15 onwards the CCG Chairs agreed the following principles:
  - The Collaboration Board were clear that all aspects of the financial strategy should be explicit enablers of the implementation of Shaping a Healthier Future;
  - All CCGs need to be in a position to be able to implement their Out-of-Hospital strategies in a consistent manner and timeframe;
  - SaHF programme management needs to be adequately resourced;

- Significant investment in primary care (networks, estates etc.) is required to underpin OOH strategies across North West London;
- Transition support for acute providers needs to be explicitly tied to Shaping a Healthier Future implementation; and
- Investment in North West London-wide transformation programmes is needed to support Shaping a Healthier Future implementation

6.5 In drawing up the strategy the CCGs recognise that:

- Shaping a Healthier Future is a North West London-wide programme and the probability of successful implementation will be significantly enhanced by a North West London -wide financial strategy.
- Individual CCGs are in radically different financial positions with surpluses/deficits which are predominantly the result of inherited PCT positions, and surpluses/deficits correlate with under/over funding positions.
- If the wide disparity in CCG financial positions is not addressed through a NWL-wide financial strategy, Shaping a Healthier Future implementation as a whole could be compromised.
- A North West London-wide financial strategy provides resilience to all CCGs in the light of potential future funding changes, and also in facing provider issues together.

6.6 Based on the above, a financial strategy is proposed comprising three component parts:

- Pooling of CCG and NHSE non-recurrent headroom to support non-recurrent SaHF costs;
- Utilising CCG carry forward surpluses to enable OOH implementation across NWL, by placing all CCGs on a common footing; and
- Creation of SaHF Out-of-Hospital recurrent investment fund to support investment in primary care and community services.

6.7 The details of the financial strategy show how the funds are sourced and their potential use. In summary the three strands of the strategy provide the following:

- Approximately £57m non-recurrent funding in 2014/15 to deliver the Shaping a Healthier Future programme costs, pump-priming Out-of-Hospital costs, North West London-wide Strategy & Transformation programmes and acute provider transition;

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- Approximately £35m to create a “level playing field” whereby CCGs are not constrained from implementing Out of Hospital strategies by inherited financial positions; and
- Approximately £47m to set up the recurrent fund to enable all 8 CCGs to make investments in their Out of Hospital strategies.

6.8 All aspects of the NWL financial strategy are subject to NHS England agreement as part of their review and sign-off of 14/15 Operating Plans for all CCGs, and as part of this, ensuring adherence to statutory and other requirements on CCGs.

6.9 In agreeing this strategy the CCG Chairs recommended the following to ensure affordability and future proofing:

- Contributions to the financial strategy each year should be determined based on affordability, with the CCGs in the strongest financial position contributing the most. When assessing the financial position of a CCG both the underlying surplus/deficit of the CCG and its distance from target should be considered.
- All CCGs have equal right to draw from, and responsibility to contribute to, the financial strategy, should financial positions of individual CCGs change.
- In acknowledgement that NWL as a whole is £136m above the capitation funding level, all CCGs commit to ensuring that funds are invested in a way that represents value for money and reduces recurrent costs over time while maintaining high quality services.
- All CCGs commit to spending the financial strategy funding to achieve the aims for which the budget is set, and will hold each other to account for delivering this.
- In the current financial scenario, Brent, Central London, West London and Hammersmith and Fulham CCGs will be significant net contributors in 14/15. In future years, if the national allocation model is implemented in full, then other CCGs may well be in this position, and all eight CCGs need to agree this strategy in acknowledgement of this longer term risk.

6.10 In terms of governance the CCG Chairs recommended the following:

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- In line with existing governance arrangements, each CCG as a separate statutory organisation will need to approve the NWL-wide financial strategy (based on a recommendation from the Collaboration Board).
- The Collaboration Board would not have financial decision-making authority other than that delegated to it by the existing CCG Governing Bodies. However, given the complexity of managing and implementing a multi-year strategy across eight statutory organisations a formal collaborative finance committee to oversee the strategy would be set up.

### **Recommendations – Financial Strategy**

7. That the NWL Financial Strategy for 2014/15 to 2018/19 is approved for further discussion with NHS England.
8. That a finance committee is set up as part of the Collaboration Board to oversee the implementation and delivery of this strategy. This committee would be tasked with monitoring / reviewing progress in implementing the strategy and updating it each year to make recommendations on the required contribution to each Governing Body for the following year's strategy.

## **7 CCG Collaborative Governance**

- 7.1 Implementing these proposed changes which enhance the range of functions the CCGs collectively work together on requires the current Collaboration Board terms of reference to be reviewed. The Collaboration Board is currently set up to make recommendations to the Governing Bodies, it has no decision making powers in its own right. The proposals contained in the paper for managing the Shaping a Healthier Future programme and the financial strategy do not require this to change. However to take on the new functions when the Commissioning Support functions are brought in house will require the Collaboration Board to have delegated responsibility from the CCGs to provide direction to the new posts with responsibility for delivering support services.
- 7.2 Currently the only way the CCGs can come together to make decisions is by meeting in common. This means that all CCGs have to be present with the right membership for decisions to be taken and each decision would be taken by each CCG. However

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legislation has been proposed which would allow CCGs to delegate decision making to a Joint Committee from October 2014. This is the way in which PCTs worked together. It enables one decision to be taken by the CCGs on matters where they have permitted delegation. It is proposed that, should the legislation be passed, it be used to enable the CCGs to provide decision making for the new commissioning support responsibilities. The Business Case for the future of Commissioning Support Services includes further detail on proposed governance arrangements.

- 7.3 To ensure that the Collaborative Directors are able to discharge their responsibilities they will need to be line managed by one of the CCG Accountable Officers. Once further work has been done on the roles and responsibilities for any further commissioning support service roles, a decision should be taken on the appropriate line management arrangements. Equally once the scope of responsibilities for primary care co-commissioning is understood, it will be possible to decide on how the management arrangements would best be organised. Until then it is proposed that the primary care transformation programme should remain under the Director of Strategy's portfolio. The Director of Strategy currently reports jointly to the two Accountable Officers.
- 7.4 The membership of the Collaboration Board also needs to be considered as it takes on new responsibilities. Currently the membership is one member per CCG, the Chair, and the Chief Officers and Chief Finance Officers, the Director of Strategy and two Lay Members. Governing Bodies are asked to consider whether they regard this as appropriate or whether they would like to suggest one further member of each Governing Body to sit on the Collaboration Board. It could be a different member for the different subject areas that the Collaboration Board will cover. The benefits of increased representation must be weighed up against size, since the larger the meeting the harder it is to make effective decisions (with one member from each CCG there are around 20 members; with two members from each CCG there are around 30 members).
- 7.5 Working together in this way will also require discipline and trust. It was agreed that a programme of Organisational Development for the CCG Chairs, Chief Officers and Chief Finance Officers should be set up.



**Recommendations – Governance**

9. That the terms of reference for the NW London CCG Collaboration Board are revised to enable it to take on the additional functions contained within this paper. The revised Terms of Reference will be brought to a future meeting of the Governing Body for approval.
10. To support the recommendation that the directors working across the eight NWL CCGs would be accountable to the Collaboration Board and line managed by the Accountable Officer for CWHHE or the Accountable Officer for BHH.
11. Governing Bodies to consider whether to have one or two members each on the Collaboration Board.
12. That a programme of Organisational Development for the members of the Collaboration Board be designed.

## 8 Next steps

### Recommendations – next steps

13. The Governing Body is asked to agree to the recommendations set out in this paper and to invest in their Chair the authority to make a final decision on the implementation of these recommendations on 27<sup>th</sup> March 2014 together with the other NW London CCG chairs, at a meeting which will also be held in public. This authority will apply only to the decision making for the three areas covered in this paper.

Implementation of these proposals is expected to begin immediately following the meeting of the CCG Collaboration Board.