

TELFORD & WREKIN COUNCIL

HEALTH & WELLBEING BOARD 6th JUNE 2019

SINGLE STRATEGIC COMMISSIONER FOR SHROPSHIRE & TELFORD AND WREKIN CCGS

REPORT OF: DAVID EVANS, ACCOUNTABLE OFFICER, NHS TELFORD AND WREKIN CLINICAL COMMISSIONING GROUP

1. RECOMMENDATIONS

The Health and Wellbeing Board is asked to note the contents of the report.

DATE:	6 th June 2019
TITLE OF PAPER:	Single Strategic Commissioner for Shropshire & Telford and Wrekin CCGs
EXECUTIVE RESPONSIBLE:	David Evans, Accountable Officer, Telford & Wrekin CCG David Stout, Accountable Officer, Shropshire CCG
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CCG OBJECTIVE:	All CCG Objectives

For Discussion For decision For performance monitoring

EXECUTIVE SUMMARY	<p>The purpose of this report is to brief the Health and Wellbeing Board on the recent decision by Shropshire CCG and Telford and Wrekin CCG to dissolve the existing two organisations, with a view to creating one single strategic commissioner across the Shropshire and Telford and Wrekin footprint.</p> <p>In November 2018 NHS England (NHSE) set a new running cost savings target of 20% for CCG's to attain by the end of the financial year 2019/20. Following this announcement in January 2019, the NHS Long Term Plan was published setting out key ambitions for the service over the next 10 years. The long term plan included the requirement to streamline commissioning organisations with typically one commissioner for each STP/Integrated Care System.</p> <p>In response to these announcements and with NHSE support, Shropshire CCG and Telford & Wrekin CCG carried out separate facilitated sessions and then a joint session early in 2019 to begin exploring the appetite for and mechanisms required to support closer working. These sessions were positively received and</p>
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	<p>resulted in a firm a commitment to explore the formation of a strategic commissioning organisation to cover the entire county.</p> <p>This report sets out the proposal that both CCG Governing bodies considered and agreed at their recent Board meetings regarding future working arrangements within the context of the likely changes to the NHS landscape in the next few years and NHS England's requirements regarding running cost savings.</p>
FINANCIAL IMPLICATIONS:	Future working arrangements will impact on future resources required by the CCG's
EQUALITY & INCLUSION:	No identified impact.
PATIENT & PUBLIC ENGAGEMENT:	It is likely that some form of engagement with the populations of both Shropshire and Telford and Wrekin CCGs will be required. If the proposed change is viewed as substantial by the Joint Health Overview and Scrutiny Committee then this will require a formal consultation process that will need resourcing.
LEGAL IMPACT:	In proposing the dissolution of the existing two statutory bodies and the creation of new statutory body across the whole footprint, the CCGs will be required by NHS England to follow a prescribed process for authorisation.
CONFLICTS OF INTEREST:	There are no identified conflicts of interest.
RISKS/OPPORTUNITIES:	Future working arrangements are a key consideration in the financial and clinical sustainability of the CCG's going forward.
RECOMMENDATIONS:	The Health and Wellbeing Board is asked to note the contents of the

Telford and Wrekin Health and Wellbeing Board Meeting 6th June 2019

Single Strategic Commissioner for Shropshire & Telford & Wrekin

David Stout, Accountable Officer, Shropshire CCG

David Evans, Accountable Officer, Telford & Wrekin CCG

Introduction

The NHS is now in a period of transition with new emerging concepts of the role of commissioner and provider organisations. CCGs must respond flexibly to the new landscape and consider where best to focus clinical and managerial leadership and how they can adapt and interface with their local Sustainability and Transformation Partnership to transform into a commissioning organisations fit for this future. The recently published NHS Long Term Plan reinforces this direction of travel.

In addition CCGs have been tasked with making 20% reductions in their running costs by the end of the financial year, 2019/2020.

This report is to brief the Health and Wellbeing Board on the recent decision by Shropshire CCG and Telford and Wrekin CCG to dissolve the existing two organisations with a view to creating one single strategic commissioner across the Shropshire and Telford and Wrekin footprint.

Report

With NHS England (NHSE) support, Shropshire and Telford and Wrekin CCGs carried out separate facilitated sessions and then a joint session early in 2019, to begin exploring the appetite for and mechanisms required for closer working. These sessions were positively received and resulted in a commitment to explore this further, including the formation of a new single strategic commissioning organisation.

In order to ensure it is fit for purpose, remains efficient and effective and can best serve its population, NHS Telford and Wrekin CCG must consider the most appropriate organisational form for strategic commissioning going forward. Discussions have included both options of closer working; informal working using joint management and collaborative mechanisms whilst still retaining two statutory bodies and the alternative of dissolving the two CCGs and creating one new strategic commissioning organisation.

To meet the 20% reduction in running costs*, the total reduction in allocations between 2018/19 and 2019/20 is £1.218m across both CCG's (£0.775m for Shropshire CCG and £0.443 for Telford and Wrekin CCG). Although the first option has some benefits, it was felt that the efficiencies both CCGs could achieve by stripping out all the duplication of effort, time and staff resource currently used to commission services and oversee contractual performance of the same providers would not be fully realised, as some duplication will still remain.

The '20%' reduction quoted in the NHSE guidance is based on comparing 2019/20 allocations to 2017/18 outturns adjusting for pay awards, pension changes etc. and assumes that the CCGs are operating within their running cost allocations.

The conclusion of these discussions has been that the second option of dissolution of both CCGs and the creation of a new strategic commissioning organisation across the whole footprint of Shropshire, Telford and Wrekin will realise the following benefits:

It will immediately respond to the requirements set out in the NHS Long Term Plan for one strategic commissioner per STP area by allowing both CCGs to redesign a new organisation that will have the right capacity and capability to commission at a strategic level and also at a more local 'place' level. It will allow duplication of staff time that is currently used to contract and oversee performance to be focused on other commissioning priorities, i.e. health inequalities/prevention. By reducing duplication both CCGs will be well placed to reach the 20% running cost target set by NHS England. Although creating uncertainty for staff in the short term, this option will provide a more sustainable future for our staff in the long term.

At recent CCG Board meetings, the Governing Bodies of both CCGs have given support to the creation of a single strategic commissioner for the Shropshire, Telford and Wrekin footprint.

Discussions have taken place with NHS England (NHSE) regarding the considerations for the CCG's in order to make this happen and NHSE have recently published new guidance entitled "Procedures for Clinical Commissioning Groups to apply for Constitution change, merger or dissolution" which are attached at Appendix 1.

In moving towards the creation of a single strategic commissioning organisation the following key elements must be considered:

Timeline – NHS England's new guidelines have relaxed the timescales for applications to bring commissioning organisations together. Applications must now be made by 30 September preceding the April in which the change would take effect. It is proposed that the CCG support an application by 30 September 2019 with a view to a new strategic commissioning organisation taking effect on 1 April 2020.

Whilst it is acknowledged that there is a significant amount of work involved in the planning, preparation and implementation of this, so far as it is possible, it is also considered that it would be most beneficial to all stakeholders, both internal and external, that this process is managed expeditiously, preferably to conclude for 1 April 2020.

Recruitment of a single Accountable Officer – A key step in forming a single strategic commissioning organisation will be the recruitment of a single Accountable Officer early in the process to oversee its development. This should also include the early integration of the CCGs management teams.

Resources – In line with NHSE guidance the CCGs will need to create a programme management office (PMO) to oversee what will be a significant change programme.

Updates – regular updates will be required by the Governance Board as the process is developed.

11. In order to meet the challenging timescales set out in NHS England guidance, both CCGs are now focusing on actioning the following:

- Early recruitment of a single Accountable Officer and the early integration
- of management teams;
- Develop a timetable for the formation of the single strategic commissioning organisation by April 2020; and
- Create a programme management office to oversee the programme.

As part of the development of a timetable for this work, we expect to schedule regular updates to the Health and Wellbeing Board on the design of a single strategic commissioning organisation and progress against the agreed timeline.

Recommendations

The Health and Wellbeing Board is asked to note the contents of the report.