

**SHROPSHIRE AND TELFORD & WREKIN COUNCILS JOINT HEALTH
OVERVIEW AND SCRUTINY COMMITTEE**

DATE: 24th June 2019

REPORT TITLE: Single Strategic Commissioner for Shropshire &
Telford and Wrekin CCGs

REPORT OF: Mr David Stout, Accountable Officer, NHS Shropshire
Clinical Commissioning Group

Mr David Evans, Accountable Officer
NHS Telford and Wrekin Clinical Commissioning
Group

1. RECOMMENDATIONS

The Joint Health Overview and Scrutiny Committee is asked to note the contents of the report.

DATE:	6 th June 2019
TITLE OF PAPER:	Single Strategic Commissioner for Shropshire and Telford and Wrekin CCGs
EXECUTIVE RESPONSIBLE:	David Stout, Accountable Officer, NHS Shropshire CCG David Evans, Accountable Officer, NHS Telford & Wrekin CCG
Contact Details:	Ext: Email:
AUTHOR (if different from above)	Alison Smith, Executive Lead Governance & Engagement, NHSTelford & Wrekin CCG
Contact Details:	Ext: Email:
CCG OBJECTIVE:	All CCG Objectives
<input checked="" type="checkbox"/> For Information <input type="checkbox"/> For decision <input type="checkbox"/> For performance monitoring	
EXECUTIVE SUMMARY	<p>The purpose of this report is to brief the Joint Health Scrutiny Committee on the recent decision by NHS Shropshire CCG and NHS 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, NHS Shropshire CCG and NHS 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 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</p>

	landscape in the next few years and NHS England's requirements regarding running cost savings.
FINANCIAL IMPLICATIONS:	Future working arrangements will impact on future resources required by the CCG's
EQUALITY & INCLUSION:	No identified impact.
PATIENT & PUBLIC ENGAGEMENT:	Both CCGs will engage with the populations of both Shropshire and Telford and Wrekin as part of this process. The CCGs will be producing a Communications and Engagement Plan to support delivery of this project and a significant part of which, will address the delivery of engagement with the public.
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 of a new statutory body that will ensure all legal requirements are met.
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. The project will require risks to be identified via a Risk Register.
RECOMMENDATIONS:	The Joint Health Overview and Scrutiny Committee is asked to note the contents of the report.

Joint Health Overview and Scrutiny Committee Meeting 24th June 2019

Single Strategic Commissioner for Shropshire & Telford & Wrekin CCGs

David Stout, Accountable Officer, NHS Shropshire CCG

David Evans, Accountable Officer, NHS Telford & Wrekin CCG

Introduction

1. 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.
2. In addition CCGs have been tasked with making 20% reductions in their running costs by the end of the financial year, 2019/2020.
3. This report is to brief the Joint Health Overview and Scrutiny Committee 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

4. 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.
5. In order to ensure it is fit for purpose, remains efficient and effective and can best serve their populations, NHS Shropshire CCG and 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.

6. 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.
7. 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:

- **Strategic**

It will immediately respond to the requirements set out in the NHS Long Term Plan for one strategic commissioner per STP/ICS area by allowing both CCGs to redesign a new organisation that will have the right capacity and capability to commission at a strategic level, but retain the ability to commission more local 'place' level health services building on current models; Neighbourhood working in Telford and Wrekin and Care Closer to Home in Shropshire .

It will also support the development of our Strategic Transformation Partnership into an Integrated Care System ensuring there is one strong commissioner voice with a unified approach, thus ensuring the needs of our diverse populations, particularly with regard to health and wellbeing, health inequalities, the performance of providers and financial balance can be met.

- **Quality**

For patients, the CCGs would expect to see a reduction in variation of access to services and to ensuring consistency of quality through a single set of commissioning, monitoring and decision making processes.

- **Operational**

This option would allow better use of clinical time available to the system by sharing clinical input into pathway design and reducing the duplication of clinical input into decision making processes which are often duplicated.

It will allow the duplication of CCG staff time, that is currently used to undertake the same task twice, for example contracting and overseeing performance of providers, to be focused on other commissioning priorities, i.e. health inequalities/prevention.

There will also be an efficiency saving for providers in that they do not have to deal with two commissioners, sometimes asking for different services or different ways of delivering services, which will release resource into those organisations.

*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.

- Financial

Commissioners are required to deliver a 20% reduction in running costs from 2020/21. We have already begun to align teams across Shropshire Telford and Wrekin and this will contribute to the delivery of savings. However, a single organisation will maximise the opportunities to deliver these management savings to the patch through the removal of duplication and the reduction in governance processes in commissioning.

The two CCGs are working collaboratively with the STP to focus on the development of transformational solutions to address the financial pressures across Shropshire, Telford and Wrekin. A single commissioning voice will not only ensure consistency across the patch from a commissioner perspective, but will also provide stronger leadership to these transformational changes through the STP.

- Sustainability

This option would mean one single CCG, with one management team, one governing body and one set of statutory duties for the whole of Shropshire. The arrangements would be stable and permanent, aligning to existing local authority social care, health overview and scrutiny and health and wellbeing board arrangements in Shropshire Council and Telford & Wrekin Council.

Although creating uncertainty for staff in the short term, this option will provide a more sustainable future for our staff in the long term.

It offers the best use of the talent of our current staff and will help to attract high calibre staff in the future, which in turn provides more career satisfaction leading to lower turnover and more productivity.

8. It is acknowledged that it is often inevitable that some of the anticipated benefits of transformational change that were identified at the beginning of a project, may not always emerge or have the transformational impact that was first anticipated. It is for this reason that as part of the authorisation process NHS England will require both CCGs to develop a Case for Change document that seeks to outline in more detail the anticipated benefits, but also disbenefits and mitigation of undertaking the proposed dissolution of the existing CCGs and creation of a new CCG across Shropshire, Telford and Wrekin.

Feeding into this Case for Change document will be planned engagement with our CCG memberships, stakeholders and the public to help identify both additional benefits, but also the risks this change will create, in order to address these through mitigating actions.

We will also develop a Benefits Realisation Plan that will ensure the identified benefits and disbenefits are captured and key performance indicators are used to help us judge, post creation of a single strategic commissioner, whether the anticipated benefits have been realised.

9. 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.
10. A briefing report has also been presented to Shropshire Council and Telford & Wrekin Council Health and Wellbeing Boards in May and June 2019 respectively.
11. 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.
12. In moving towards the creation of a single strategic commissioning organisation the following key elements are currently being 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 will 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 scheduled to the CCG Governing Bodies, Health and Wellbeing Boards and Joint Health Overview and Scrutiny Committee as the project timelines are developed.

12. 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 detailed project timetable for the formation of the single strategic commissioning organisation by April 2020; and

- Create a programme management office to oversee the programme and specific work streams to undertake the work required to prepare for dissolution of the exiting CCGs and for the creation of a new statutory body that will meet the criteria outlined in the NHS England guidance on authorisation for CCGs.
- Develop a Communications and Engagement Plan to support the delivery of the project, that will include engagement with the memberships of both CCGs, stakeholders and the public.

As part of the development of a timetable for this work, we expect to schedule regular updates to the Joint Health Overview and Scrutiny Committee on the design of a single strategic commissioning organisation, the design and delivery of engagement with the public and progress against the agreed project timeline.

Recommendations

The Joint Health Overview and Scrutiny Committee is asked to note the contents of the report.