

TELFORD & WREKIN COUNCIL HEALTH & WELLBEING BOARD

DATE: 26th September 2019

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

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

Mr David Stout, Accountable Officer, NHS Shropshire Clinical Commissioning Group

1. RECOMMENDATIONS

The Health and Wellbeing Board is asked to:

- note the report;
- comment on the plan and rationale to create a single strategic commissioner for the whole Shropshire, Telford and Wrekin footprint; and
- indicate their level of support for the proposals.

DATE:	26 th September 2019
TITLE OF PAPER:	Single Strategic Commissioner for Shropshire & Telford and Wrekin CCGs – Update Report
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	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. 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 resulted in a firm commitment to explore the formation of a strategic commissioning organisation to cover the entire country.
FINANCIAL IMPLICATIONS:	Future working arrangements will impact on future resources required by the CCG's
EQUALITY & INCLUSION:	No identified impact.
PATIENT & PUBLIC ENGAGEMENT:	The programme has a Communications and Engagement Plan which is attached as appendix 1.
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: <ul style="list-style-type: none"> • Note the report; • Comment on the plan and rationale to create a single strategic commissioner for the whole Shropshire, Telford and Wrekin footprint; and • Indicate their level of support for the proposals.

Telford and Wrekin Health and Wellbeing Board meeting 26th September 2019

Single Strategic Commissioner for Shropshire, Telford and Wrekin – Update Report

David Stout, Accountable Officer, Shropshire CCG

David Evans, Accountable Officer, 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 provide a further update to 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 Shropshire and Telford and Wrekin footprint.
4. With NHS England (NHSE) support, Shropshire and Telford & 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 its population, 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 Shropshire and £0.443 for T&W). 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 was 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:

*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.

- 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.
8. At CCG Board meetings in May 2019, the Governing Bodies of both CCGs gave support for the creation of a single strategic commissioner for the Shropshire, Telford and Wrekin footprint by April 2020, with an application deadline to NHS England of the 30th September 2019.

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9. In moving towards the creation of a single strategic commissioning organisation and acknowledging the ambitious timescale of creating a new CCG by April 2020, the CCGs have set up a programme management office to oversee the project, created a Joint Executive Group to act as the project board and created 5 work streams that report to it, to focus on the key deliverables of the programme.
10. The CCG Chairs have completed a recruitment process for a joint Accountable Officer across both existing CCGs with a view that this person will become the new Accountable Officer for the single strategic commissioning CCG in the future. The recruitment to a single Accountable Officer role has been completed and a recommendation of a preferred candidate has been made to NHS England. There is not prescribed timeline for NHS England to respond, however we expect a response in early September.
11. The CCGs have secured support from Deloitte as an organisational Development (OD) Partner to help facilitate at pace engagement with the membership of both CCGs, staff and key stakeholders to help inform the development and vision of a new single strategic commissioner. Some engagement discussions had already been initiated by the Chairs of the CCGs and Accountable Officers in July, acknowledging that an OD partner would not be able to commence until early August. Therefore some discussions have already taken place with the respective membership of each CCG through Locality Meetings for Shropshire and the Practice Forum for Telford and Wrekin and with Directors and Executive Leads from both organisations. Briefings have also been provided to both Health and Wellbeing Boards and the Joint Health Overview and Scrutiny Panel.
12. Work supported by Deloitte started on 8th August with discussions with both CCG Governing Bodies, CCG membership, local authorities and staff within the CCGs. Plans are also in place to engage with ICS partners, senior managers in the CCGs, CCG staff and Healthwatch in the coming weeks. The Deloitte work has been structured into two phases, the first being initial engagement to help inform the case for change, high level operating model and initial Organisational Development (OD) Plan which all form key documentary evidence for application to NHS England on 30th September. This will then be followed by a second phase which will be to deliver the OD plan agreed from 30th September through to 31st March 2020.
13. The CCGs have convened a Joint Executive Group, composed of the Directors and Executive leads from both CCGs and chaired by the Accountable Officers, which is meeting weekly to provide the necessary oversight to the programme and to ensure project timelines are adhered to and risks are identified and mitigated where possible. The Joint Executive Group is supported by a PMO team to ensure that the project timelines and interdependencies are sufficiently managed.
14. The programme has also established 5 workstreams to undertake the detailed work required to prepare for creation of a single strategic commissioner. The workstreams have been focussed on producing first drafts of the evidence required for application submission on 30th September which were submitted to NHS England

on 19th August, in preparation for a pre application meeting scheduled on 5th September with NHS England. As this report was written prior to this pre application meeting taking place, Accountable Officers will update Governing Bodies verbally on the outcome of this meeting.

- Functionality – this will include engagement with members and stakeholders, determine the new operating model for the single strategic commissioner and respective documents that will support this model.

The workstream has produced a first draft of a Commissioning Strategy, Primary Care Strategy and a case for change document which are both being dynamically informed by the OD engagement taking place.

Work is being undertaken to produce a Quality Strategy, Benefits Realisation Plan and Procurement Strategy, with plans in place to deliver these to the required standard by 30th September.

Key risks at this stage include; not enough discussion has taken place to help inform an operating model which in turn will provide the foundation for much of the Commissioning Strategy, Case for Change, Benefits Realisation Plan and future governance structure. This is however planned but not yet delivered. The Commissioning Strategy also has to be based on the Long Term Plan for the Shropshire health system which will not be fully developed until November 2019.

- Communications and Engagement – to provide oversight of the development of a Communications and Engagement Strategy for the new CCG and to develop and oversee the delivery of a communications and engagement plan for the project itself, across all stakeholders.

A Communications and Engagement plan has been developed and is attached as appendix 1 for information. The plan includes all key stakeholders, staff, CCG membership, senior managers, public and key patient groups. Delivery of the plan has already commenced.

A Communications and Engagement Strategy for the new single strategic commissioner has been developed and submitted on 19th August in preparation for the pre application meeting on 5th September. This is not fully completed as key areas of the strategy that described engagement at a local level has yet to be determined as this will be informed by the OD discussions planned by yet to be delivered fully.

The work stream has also take advice on the level of equality impact assessment (EIA) that would be required to support this proposal. The advice has highlighted that the application process for NHS England requires an EIA of the proposal on the workforce of both CCGs. In addition, although the proposal is a structural change to the CCGs and has no immediate impact on the populations both CCGs serve, the CCGs have been advised to undertake an EIA of the proposal on the populations of Shropshire, Telford and Wrekin. As a result the CCGs have commissioned from Arden and GEM CSU Equality Impact Assessments on both the workforce of both CCGs and of the populations the CCGs serve.

The key risks at this stage are; that not enough discussion has taken place to help inform an operating model which in turn will provide the basis for describing engagement at a local level in the Communications and Engagement Strategy and that we have a very short timescale to deliver the project engagement plan and EIA work.

- Finance - to provide oversight of the development of the Medium Term Financial Plan for the new CCG and to plan for the creation of a new financial ledger for the new CCG.

The work stream has produced a first draft of a Medium Term Financial Plan (MTFP) for the new CCG and has undertaken a piece of work to compare Standing Financial Instructions of both CCGs as required by the application criteria.

The key risk at this stage is that the MTFP requires alignment with the STP financial model which is not due to be completed until the end of September.

- HR - to provide oversight of the management of change process that both CCGs will be required to run in order to identify staff who will transfer into the new legal entity.

This work stream has been focussed to date on the recruitment process for the Accountable Officer across both CCGs. In addition some preparatory work has been continuing on ensuring job descriptions for existing staff are up to date.

Key risks are around delays in commencement of management of change process due to any further delays in appointing an Accountable Officer.

- Governance - to provide oversight of the development of a new corporate governance framework, constitution and governance processes for the new CCG.

Delivery of a Constitution and governance structure is scheduled for delivery after 30th September in line with requirements from NHS England.

The key risk at this stage is that OD discussions do not produce outcomes to support the design of a high level governance structure that will be required to produce a draft Constitution and Governance Handbook.

15. Project timeline

The high level timeline is as follows:

14 th May 2019	Governing Bodies agree to support proposal to apply for dissolution of existing CCGs and creation of a new single strategic commissioner.
June	Creation of a project overview group – Joint Executive Group Creation of 5 work streams and confirmation of work stream and sub work stream leads Confirmation of deliverables for each work stream against NHS England application criteria and inter dependencies
1 st July By 30 th July By 8 th August	PMO in place – produce programme plan Additional technical HR support in place – begin planning for Accountable Officer recruitment Procure OD partner Accountable Officer recruitment process completed Recommendation to NHS England on preferred candidate for Accountable Officer

1 st August	OD partner in place
19 th August	Deadline for submission for pre-application evidence
5 th September w/c 16 th September w/c 23 rd September 27 th September	Pre application meeting with NHS England Membership support for application Governing Body support for application Final application and evidence submission to NHS England
3 rd October	Make application to NHS SBS to create a new ledger
18 th October	NHS England Regional Management Team to make recommendation on status of application to national team.
29 th October	NHS England Statutory Committee to consider application
21 st November	Application to NHS Digital for new organisational code made if application is successful.
21 st January	National team notify Government Banking Services
27 th February	Draft Constitution prepared and submitted to NHS England for review and approval
5 th March	Staff transfer schemes and grant of merger documents to be signed off
6 th March	Letter to existing CCGs regarding dissolution
31 st March`	New CCG established.

The PMO reports to the Joint Executive Group weekly and currently the project is delivering against target, but it should be emphasised that the timeline that the CCGs are working to is very challenging, with the greatest risk to delivery of the project that there will not be sufficient time to in the first instance to produce an application and supporting evidence to the standard required by NHS England by 30th September to ensure it is successful.

Recommendations

The Health and Wellbeing Board is asked to:

- Note the report;
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- Indicate their level of support for the proposals.