Brent	**Community Wellbeing Scrutiny Committee** 24th October 2019
	Report from Brent Clinical Commissioning Group
North West London Commissioning Reform Case For Change	

Wards Affected:	All Wards
Key or Non-Key Decision:	The Committee is asked to note the progress of commissioning reform in North West London CCGs. In particular the Committee is asked to note the decision of the Brent CCG Governing Body to move to a single CCG in 2021 in light of the need to focus on financial recovery, together with a move to a single operating structure across NWL, which we will move to during the course of this financial year.
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Open
No. of Appendices:	None
Background Papers:	None
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1. Background

In response to the NHS Long Term Plan, which suggested that the number of CCGs will be significantly reduced to align with the number of emerging integrated care system (ICSs), NW London CCGs launched a case for change for commissioning reform on 29 May 2019.

The case for change recognised that there were questions on how the CCGs respond to the configuration issues raised by the long term plan which required exploration and resolution.

The key areas for exploration identified were:

- Whether this change to the number of CCGs happens by April 2020 or later, in April 2021
- What functions should be delivered at a NW London level and what should be organised more locally;
- How would the finances work; and
- How the changes to our CCGs relate to: changes at NW London with the development of an NW London integrated care system, the development of integrated care partnerships (ICP), based on boroughs, current CCG footprints, or groupings of boroughs, and the development of sub-borough structures such as primary care networks (PCNs).

2. Our stakeholders

Our wide ranging stakeholders range from our staff across the NW London commissioning system, our providers of health and care, our voluntary sector, supporting bodies such as the Londonwide Local Medical Committees (LMC), Healthwatch, local government and our regulators.

3. Engagement

Our engagement period launched on the 29 May with the publication of the case for change. The engagement focused on the case for change and gave stakeholders the opportunity to input into the design of the future commissioning arrangements for NW London.

During the engagement phase, we carried out significant engagement with our range of stakeholders and subsequent information was disseminated, including FAQs and detail around the operating model and governance. We agreed to extend the engagement phase to 24 August, in order to give stakeholders further time to comment and input into proposals.

Collectively, we have now attended over 130 events, including 8 governing bodies in public and 18 governing body events In addition to this we have met with all local authorities, GP members, primary care networks and GP Federations, patient groups, the LMC, Healthwatch and most importantly, our staff.

The context in which engagement was conducted:

- NW London is the largest and most complex STP area in the country with multiple providers and eight local authorities. Our plans and reform proposals have been arguably scrutinised more thoroughly and generated greater debate than in some other areas of London and the rest of England. We are grateful for the time and effort people took to input into our plans and the responses received.

- The NHS in NW London is one of the most financially challenged in the country, and the need to get back into financial balance is a major priority which will dominate our work for the period of the financial recovery plan.

- The changes to CCG configuration are being discussed at a time when significant other changes are being proposed to the health and care system.

The health and care partnership is making good progress with integrated care at system (NW London), borough (ICP) and sub-borough level (PCN); however, in order to ensure success, the interplay between these emerging arrangements and the role of a single CCG needs to be explained with a well thought out division of responsibilities at place and system level.

4. Key issues raised

The key points that emerged through the engagement were:

- **Drivers for change:** Stakeholders generally understood the need to change our current commissioning arrangements, especially those that reduce costs from transactional activities, reduce health inequalities, support front-line delivery and are supportive of our move to integrated care. They would like to see us move away from systems that can incentivise the wrong patient pathways, such as payment by results, and focus our commissioning effort on the integration agenda.

- **Concern around timing**: Although most respondents accepted the need to reduce the number of CCGs to align with the STP there was concern about whether we would be ready by April 2020. With ICS, PCN and ICP development, and the perceived lack of clarity to the system architecture and function of ICPs in the future, GB members particularly felt that the merger would land better when ICPs and PCNs further developed in 2020/21. There is much energy and focus on our integration agenda and the characteristics of each component, we must continue to keep our efforts focused and take more time to develop the form and structures to support these developments.

- **Surplus/deficit position**: Some CCGs were concerned about what financial position the new CCG would inherit and whether historic surpluses and deficits would be netted off into the new arrangement or if the CCG was starting with a clean balance sheet. Definitive guidance on this is still awaited at the point at which these papers are published.

- **Operating model[1]:** some stakeholders were unclear how the single CCG would function, how finance will flow and how responsibilities would be distributed between different levels. Some stakeholders suggested that a transition year will help us continue at pace, whilst we ensure risks are managed effectively.

- **Governance products**: some stakeholders expressed a desire to see and have time to effectively scrutinise the new CCG constitution, scheme of delegation and powers delegated to local committees before a decision is taken. There has been significant interest in our constitution, and we are now

[1] An operating model is the blueprint for how resources are organised and operated to deliver the strategy. All elements of the operating model—structure, accountabilities, governance, behaviours as well as the way people, processes and technology get integrated to deliver key capabilities—must be explicitly designed to support the strategy. https://www.bain.com/insights/design-principles-for-a-robust-operating-model/

engaging more widely with the support of LMC colleagues. Maintaining clinical leadership and ensuring the empowerment of members was raised multiple times as a very important point to emphasise in the new governance products and new arrangements.

- **Patient involvement and democratic scrutiny:** concerns were expressed as to whether there would be a loss of democratic accountability to local authorities and local residents in each area.

- **Justification for one CCG rather than more:** some comments were received that we had not clearly justified the proposal for one CCG rather than two or more. During the engagement phase it was explained that a single CCG would achieve the NHS Long Term Plan aim of aligning the CCG boundary to the STP boundary and that if we were to deviate from that a justification was required. We made clear that we were willing to consider arguments for more than one CCG, but none were put forward.

- **Staff:** the key response from staff was about the implications for them and whether there would be job losses. Clearly the required reductions in management costs will have an implication for jobs but given the number of vacancies and interim posts we currently have, we would not anticipate significant numbers of compulsory redundancies.

5. CCG Chairs Review

The CCG Chairs, the Accountable Officer, and STP SRO met to review the position and consider the results of the engagement period, and to agree the recommendation to take to governing bodies.

It was noted that:

- Financial recovery is the number one priority in NW London;

- There is a strong desire for the collaboration to move forward as a partnership of eight boroughs and to work with providers to develop alternative payment and contractual arrangements from 2020/21 to support our collective desire of ICP and ICS delivery;

- Due to the significant interest and complexity in the system, a number of products remain in development, such as the CCG constitution and scheme of delegation;

- We are yet to receive finalised advice from NHSE on the financial surplus/deficit position;

- There is not an aligned view amongst governing bodies, CCG members, and stakeholders to support the earlier date for CCG merger; and that

- Not supporting a merger in 2020 did not mean no change, indeed a number of changes will still be required as we transition to formal merger in 2021.

There are a number of changes we need to make in preparation for 2021:

- CCG Governing Bodies are expected to agree to a commitment to merge in April 2021.

- CCGs will move to a transition year, working under a single operating model for 2020/21.

- As part of this transition year, each CCG will require a clear plan to demonstrate the delivery of the equivalent financial and efficiency benefits to that of a formal merger from April 2020. This will need to include plans for the following areas:

    - Delivery of cost savings and organisational efficiencies to meet the 20% management cost reduction.

    - Developing the NW London-wide collaborative governance arrangements and reducing CCG governing body committee and governance meetings.

    - Rationalisation of governing body membership, in line with the arrangements that we have already been making to share roles and standardise and review clinical lead arrangements in line with the new operating model.

    - Developing a single operating model and new staffing structures to reduce duplication and support the development of integrated care arrangements at borough and ICS level.

The points above align with our regulators expectations of how a transition year would operate, and are consistent with other areas in London where merger is deferred until 2021.

6. Recommendation to the Governing Body

At the last CCG Governing Body on 25th September 2019, it was the CCG Chairs' and Accountable Officer's recommendation that:

6. 1. In view of the feedback from our stakeholders, the need to focus on financial recovery, and the commitment of all Chairs to remain aligned as an eight borough collaboration, it was recommended to CCG governing bodies that the merger to a single CCG for NW London takes place on 1 April 2021.

The Governing Body was asked to note the following consequence of recommendation:

6. 2 This transition year will enable us to work with each governing body to focus on:

a. System financial recovery

b. Development of integrated care at PCN, borough and ICS level

c. Building closer working relationships with our local authorities

d. The development of a single operating structure across the commissioning system, and meet the expectations of NHSE that we would operate in 2020/21 under a single operating framework, with the associated reduction in management costs and streamlined governance

e. To work with providers to develop alternative reimbursement structures from 2020/21 to support delivery of ICP/ICS.

7. Decision

The Brent Governing Body endorsed the recommendations of the CCG Chairs and the Accountable Officer and agreed that it would:

- Review its structures and implement a single operating model in line with financial recovery;
- Continue its engagement on the future CCG constitution and related governance documentation;
- Work together during the transition year, making its meetings more efficient and effective, while maintaining strong public engagement and effective scrutiny; and
- Continue to work with members to demonstrate benefits of merging as the Governing Body prepares to vote in 2020.

8 Implications for Joint Commissioning between CCG and Local Authority

8. 1 An agreement to adhere to the principles of a proposed high level model of integration between Brent Council and CCG at the Health and Wellbeing Board on 15th July 2019.

The Health and Wellbeing Board agreed that integration between health and social care would take place in two phases:

- Phase 1 – develop integrated commissioning arrangements for existing integrated services, in addition to a small number of other priority opportunity areas

- Phase 2 – develop more broad reaching integrated arrangements across the full spectrum of health and social care services, including the appoint of a joint director of health and social care, reporting to the council chief executive and NWL CCGs accountable officer

The Board agreed that phase 1 would include the following existing integrated services:

- Adult community mental health
- Community learning disability service
- Integrated rehabilitation and reablement team
- Transformation team

There is already a considerable degree of integration in the way that the teams across health and social care collaborate across these areas.

With regard to any staffing changes to support the integration of commissioning with the local authority, new staffing structures are currently being worked through at North West London level to reduce management costs within the CCGs. Under this arrangement, more functions will be managed under central function as part of the single operating model.

8.2 The following functions are planned to be led centrally:

- Finance
- Quality
- Commissioning
- Contracting/ Business Intelligence
- Performance Management
- QIPP
- Primary Care Contracting
- HR and OD (some functions, such as payroll and recruitment, may be outsourced)
- ICS development/strategic planning
- Governance
- EPPR and Business Continuity
- Communications (and NW London-wide engagement)
- Digital
- Corporate IT functions and GP IT (equipment, service desk, telephony, data centre, cyber security, networks)
- Estates (premises and strategic estates)
- Medicines management
- CHC

8.3 The following functions are planned to be delivered locally:

- Primary care and PCN development
- Relationships and member engagement
- Local clinical leadership
- Joint Commissioning
- ICP development
- CCG governing body
- Local QIPP planning and performance

- Primary Care Estates
- Public engagement
- Equality, diversity and inclusion

8.4 Once the financial envelope and staffing numbers for the local team based in Brent have been finalised, the CCG will be in a position to work with its local authority colleagues to adapt the structure (and in particular the joint commissioning function) to support integrated services and integrated commissioning between health and social care.

9 The Role of Primary Care Networks

From 1 July 2019, all patients in England were required to be covered by a primary care network (PCN). PCNs are made up from groups of neighbouring general practices. New funding is being channelled through the networks to employ staff to deliver services to patients across the member practices. PCNs are not new legal bodies, but their formation requires existing providers of general practice to work together and to share funds on a scale not previously seen in UK general practice. The hope of national NHS leaders is that PCNs will improve the range and effectiveness of primary care services and boost the status of general practice within the wider NHS.

PCNs will receive funding to employ additional health professionals such as pharmacists and paramedics. The NHS long term plan envisages that the networks will also be a vehicle for improvements in primary care and broader population health, and give primary care more influence within the larger Integrated Care Systems (ICS) – geographically based partnerships of NHS organisations and local authorities – which will be in place across England by 2021.

Brent GPs have come together to form Primary Care Networks (PCN), these are groups of like-minded GPs working together with particular focus on the needs of their population. The characteristics of a PCN are set out below.

The core characteristics of a Primary Care Network (PCN) are:

- **Practices working together and with other local health and care providers,** around natural local communities that geographically make sense, to provide coordinated care through integrated teams
- **A defined patient population in the region of 30,000-50,000**
- **Providing care in different ways to match different people's needs**, including flexible access to advice and support for 'healthier' sections of the population, and joined up care for those with complex conditions
- **Focus on prevention and personalised care,** supporting patients to make **informed decisions** about their care and look after their own health, by connecting them with the full range of statutory and voluntary services
- **Use of data and technology** to assess population health needs and health inequalities, to inform, design and deliver practice and population scale care models; support clinical decision making, and monitor performance and variation to inform continuous service improvement
- **Making best use of collective resources across practices** and other local health and care providers to allow greater resilience, more sustainable workload and access to a larger range of professional groups

The CCG has supported the development of each PCN through direct and indirect, including funding for additional staff. The investment of circa £1.9m within the current financial year has focused on increasing capacity in general practice, freeing up lead GPs to take a strategic role within their PCN and funding for extended access at PCN level.

Through a new Additional Roles Reimbursement Scheme, Networks will be guaranteed funding for an up to estimate 20,000+ additional staff (nationally) by 2023/24. The table below set out the additional roles which will be funded by the CCG over the next four years.

Year	Professional	Funding
Year 1	Clinical pharmacists and & Social prescribing link workers	£92K
Year 2	Physician associates & first contact Physiotherapists	£213K
Year 3	Paramedics	£342K
Year 4	From 2022, all of the above workforce will be increased, by 2024 a typical network will receive 5 clinical pharmacists (equivalent of one per practice), 3 social prescribers, 3 first contact physiotherapists, 2 physicians associates and 1 community paramedic.	£726K

The scheme will meet a recurrent 70% of the costs of additional clinical pharmacists, physician associates, physiotherapists, and community paramedics; and 100% of the costs of additional social prescribing link workers.

The aim of the additional roles will be to provide additional and increased capacity in general practice with patients being seen by the right clinician in the right setting. For Brent this means an **additional 10 Clinical Pharmacists and social prescribers** treating and supporting patients, in the current financial year. For 2020 **a further 10** pharmacists, physician's associates and physiotherapists will be funded by the CCG. This increase capacity in workforce will increase access to primary care.

10 Risks of Implementing the Change

Key risks and mitigations are outlined below:

Risk	Mitigating actions
Increased workload for staff during transition year as a result of reduced headcount	We are putting in place new processes to work more efficiently and reduce duplication of effort within the CCGs. There may be a short term increase in workload during the transition year (for example finance department will need to continue to operate 8 sets of accounts), but this will resolve when we move into a single organisation in 2021.

If we do not engage sufficiently with stakeholders there is a risk that we may not realise the benefits for commissioning reform in North West London.	We are developing an engagement plan. Once it is agreed and implementation has commenced we envisage that it will be unlikely that there will be a moderate slippage to the timetable, reducing the risk.
If we do not develop an approach that is coherent across the ICS, single CCG, ICPs and Primary Care Networks then this could become just an administrative change that will not help us to address the underlying issues of financial and clinical sustainability resulting in intervention by regulators.	We have measures in place; however, we need to do more to meet national standards. By implementing improvements and evidencing success we can reduce the likelihood of regulator intervention.
If we do not merge into a single organisation with clearly articulated financial principles and flow, then we risk success to financial recovery and sustainability resulting in a lack of cohesive operations and delivery.	Until we have agreement from governing bodies to the merger and associated financial principles and flow, we cannot reduce the risk. With agreed principles we can implement, it is unlikely this risk will be of detriment to financial recovery.

Appendix 1

Engagement Activities

CCG/ NWL	Event	Date
Brent CCG	Governing Body Meetings	26/06/2019
Brent CCG	Governing Body Seminar	10/07/2019
Brent CCG	Governing Body Seminar	08/05/2019
Central London CCG	Governing Body Meetings	12/06/2019
Central London CCG	Governing Body Seminars	08/05/2019
Central London CCG	Governing Body Seminars	10/07/2019
Ealing CCG	Governing Body Meetings	19/06/2019
Ealing CCG	Governing Body Seminar	22/05/2019
Ealing CCG	Governing Body Seminar	24/07/2019
Hammersmith & Fulham CCG	Governing Body Meetings	11/06/2019
Hammersmith & Fulham CCG	Governing Body Seminar	07/05/2019
Hammersmith & Fulham CCG	Governing Body Seminar	16/07/2019
Harrow CCG	Governing Body Meetings	18/07/2019
Harrow CCG	Governing Body Seminars	21/05/2019
Harrow CCG	Governing Body Seminars	16/06/2019
Hillingdon CCG	Governing Body Meetings	05/06/2019
Hillingdon CCG	Organisation Development Seminars (GB)	08/05/2019
Hillingdon CCG	Organisation Development Seminars (GB)	24/07/2019
Hounslow CCG	Governing Body Meetings	11/06/2019
Hounslow CCG	Governing Body Seminar	14/05/2019
Hounslow CCG	Governing Body Seminar	09/07/2019
West London CCG	Governing Body Development session	07/05/2019
West London CCG	Governing Body Development session	04/06/2019
West London CCG	Governing Body Development session	02/07/2019
West London CCG	Governing Body Development session	06/07/2019
West London CCG	Governing Body Meetings	18/06/2019
Brent CCG	locality meeting	27/06/2019
Brent CCG	locality meeting	10/07/2019
Brent CCG	locality meeting	19/07/2019
Brent CCG	GP Engagement	June 2019 - July 2019
Central London CCG	Council members	26/06/2019
Central London CCG	Membership meetings (big conversation)	26/06/2019
Central London CCG	Practice visits	June 2019 onwards -

		Present
Central London CCG	Primary Care Network Boards	06/08/2019
Central London CCG	Primary Care Network Boards	15/08/2019