

<p>North East Strategic Health Authority</p> <p>North West Strategic Health Authority</p> <p>Yorkshire and the Humber Strategic Health Authority</p> <p>BOARD MEETING</p>	
<p>Date: 8 March 2012</p>	<p>Report Author: Colin McIlwain</p>
<p>Title of paper: Update on the Commissioning Development transition</p>	
<p>Actions Requested: To note the progress being made by PCT Clusters and emerging CCGs</p>	
<p>Governance Requirements</p>	
<p>SHA Objectives supported by this paper: System development</p>	
<p>Risk Management: This paper addresses three strategic risks for the SHA:</p> <ul style="list-style-type: none"> ▪ facilitate all CCGs in the North of England to achieve authorisation by the target date; ▪ engage and involve future commissioners in current decision-making and future planning; ▪ ensure the establishment and development of fit for purpose commissioning support functions. 	
<p>Board Assurances: The issues covered in this paper are being followed up with PCT Cluster Chief Executives and Directors of Commissioning Development through a combination of Mid-Year Reviews, monthly performance monitoring and ongoing programme management.</p>	
<p>Risk Assessment:</p> <ul style="list-style-type: none"> ▪ The contents of this report have been assessed and no gaps in control mechanisms or assurances have been identified as a result. ▪ Actions to mitigate the risks identified with the issues raised in this report are being pursued and monitored through the corporate risk register and by the Commissioning Development teams in the three SHAs in the Cluster ▪ 	
<p>Communication (including public and patient involvement): SHAs are required to work with trade unions through the regional Staff Partnership Forum to ensure that there is proper communication and effective working. PCT Clusters are working through the issues in this paper with their workforce and the wider public.</p>	
<p>Resource Implications – including productivity and value for money: PCT Clusters are pursuing the changes summarised in this paper within the guidance on running costs in the NHS Operating Frameworks for 2011/12 and 2012/13.</p>	
<p>Legal Implications: There are no legal implications identified for this paper.</p>	
<p>Equality and Diversity: There are no specific related requirements.</p>	
<p>NHS Constitution: Consideration has been given to the principles of the NHS Constitution</p>	

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Update on the Commissioning Development Transition

Executive Summary

1. PCT Clusters and the SHA cluster are enabling the emerging Clinical Commissioning Groups in the North of England to lead on the commissioning agenda, with additional delegation of responsibilities in 2012/13. Work is underway to prepare Clinical Commissioning Groups to progress through the process to become authorised subject to the Health and Social Care Bill becoming law. Arrangements are developing well to establish new commissioning support arrangements that will need to be in shadow form from April 2012. With further detail emerging of the structure of the new NHS Commissioning Board work is continuing to prepare for the transfer of the relevant direct commissioning responsibilities from PCT Clusters to the new Board.

Developing Clinical Commissioning Groups

2. The SHA Cluster continues to work closely with PCT Clusters to ensure that the national commissioning development work programmes and associated milestones are achieved. Good progress is being made and in the majority of cases, with additional progress in some areas dependent on further clarification of national policy, which is subject to the passage of the Health and Social Care Bill.
3. PCT Clusters, supported by the SHA Cluster, have continued to work with the emerging Clinical Commissioning Groups (CCGs) in the North of England to hand over day-to-day leadership of the NHS commissioning agenda and to prepare the CCGs for the authorisation process to be run by the NHS Commissioning Board in 2012/3. Subject to the passage of the Health and Social Care Bill the first wave of applications is expected to be submitted in July 2012 with authorisation starting from October 2012.
4. PCT Clusters were required to submit initial commissioning plans for the 2012/13 year, supported by revised long-term plans, to the SHA Cluster in January. These plans needed to be built on the basis of a clear and credible plan for all emerging CCGs. Overall the first iteration of these plans has demonstrated increased clinical leadership of the planning process and that emerging CCGs have identified their strategic objectives for reflection in commissioning plans for 2012/13. Feedback has been provided as part of the overall SHA Cluster response to the plans.

5. Building on the establishment of emerging CCGs as sub committees of PCT Cluster Boards there has been increasing delegation of commissioning budgets to these sub-committees. Progress on this is being monitored as part of the SHA's overall financial monitoring of PCT Clusters. As of 30 December 2011, 36 of the 51 PCTs in the North of England have reported that 95% or more of relevant commissioning budgets have been already fully delegated to their CCGs.
6. CCGs are developing their shadow governing bodies and identifying people to fill the key interim leadership roles of chair, accountable officer and chief finance officer. These appointments will ultimately be confirmed as part of the application process to the NHS Commissioning Board (NHSCB) for establishment. Interim guidance produced by the Department of Health has been produced to support CCGs to understand how they can develop people within their emerging organizations to take on these roles. This would be supported by a national assessment and development for these three key roles.
7. PCT Clusters have been working with emerging CCGs to address the issues identified in the configuration risk assessment reported at the January Board meeting. As expected this has slightly reduced the number of CCGs which are currently expected to be around 70. The SHA Cluster is continuing to work with PCT Clusters, and the CCGs concerned, to resolve outstanding issues on configuration ahead of the March 2012 deadline set by the Department of Health.
8. To assist amber and green assessed CCGs in their financial planning the Department of Health has produced data at emerging CCG level of historical spending levels. This would be followed later this year by financial allocations at CCG level for 2013/14.
9. Now that the NHS Commissioning Board Special Health Authority has been established more detail is expected shortly of the authorisation process for CCGs and supporting guidance around governance, constitution and appointment of people to key leadership roles to enable authorisation to begin, subject to the passage of the Health and Social Care Bill. The SHA is participating in the national work on preparing the authorization process and the development support required for CCGs.
10. Guidance on a model CCG constitution is also being prepared and NHS North of England staff are taking a lead role in preparing this guidance.
11. Advice to CCGs on becoming "informed customers" for commissioning support is available via a series of national workshops. SHA staff and CCG leads have been closely involved in developing this agenda.

Commissioning Support

12. Good progress has been made by PCT Clusters to develop the new commissioning support arrangements that will need to operate in shadow form from April and be fully operational from March 2013.

13. The eight proposed commissioning support organizations all passed the first national checkpoint in early January, the initial step in the assurance process described in *Towards Service Excellence*, with each proposed arrangement supported by a prospectus outlining its service offer.
14. As part of the run up to the second national checkpoint, all eight submitted draft Outline Business Plans (OBPs) to the SHA Cluster at the end of January and these have been reviewed and feedback provided. A further submission of revised draft OBPs will be made at the end of February. In early March, a further round of bilateral meetings will follow this between the SHA Cluster and the emerging commissioning support organizations to follow up issues in the revised OBPs.
15. The national expectation is that emerging commissioning support organizations will submit final OBPs to the Department of Health (DH) at the end of March. The DH Business Development Unit, working with SHA Clusters, will then decide which commissioning support proposals can proceed to develop full business plans as part of the third national checkpoint which will be the final assurance test ahead of the NHSCB agreeing to host any organizations from April 2013.
16. Commissioning support arrangements are expected to be able to be operating in shadow from April and to support this the SHA Cluster has asked for a Memorandum of Understanding to have been agreed between the commissioning support organizations and the emerging CCGs by the end of February.
17. A key task for PCT Clusters, ahead of the April date, is to ensure that each commissioning support organization has a dedicated interim management team in place. All emerging commissioning support organizations in the North of England have an interim Managing Director in place or are actively recruiting to this post.
18. The SHA Cluster continues to provide a range of support to the emerging organizations and in addition to the feedback on prospectuses and OBPs this includes workshops on key issues, a learning set and support on priorities such as costing and pricing methodologies.
19. National service offers for business intelligence, clinical procurement and communications & engagement are being developed. PCT Clusters and SHA staff are part of the national work currently underway.

NHS Commissioning Board

20. At its meeting in February the NHS Commissioning Board SpHA (NHSCBA) agreed more detailed processes for its structure, including the nature of the work and staffing levels at the national, sector and local offices. The local offices will take on the commissioning of primary care services following the abolition of PCTs and will also work with the sector level of the NHSCBA on specialized service commissioning and the commissioning of offender health and armed forces health services.
21. This further detail is informing the SHA Cluster's work with the NHSCBA and PCT Clusters to develop the transition arrangements to move these PCT commissioned services to the new national arrangements for April 2013.
22. PCT clusters are working to complete the requirements of the national contract stock take, with the first milestone for primary care contracts having been met. Work will now start on the stabilization of these contracts ahead of any transfer to the NHSCB. A primary care premises template is due to be made available by April to help with the planning for the transition.
23. Part of the feedback on PCT Cluster plans for 2012/13 has been the need for Clusters to confirm which Director has been identified to lead the transition on the commissioning of primary care contracts. All PCT Clusters in the North of England are represented in the national group contributing to the design of the single operating model for direct commissioning within the NHSCB.

Recommendation

24. The Board is requested to note the current position with the development of the new Commissioning arrangements in the North of England.

Richard Barker
Chief Operating Officer
8 March 2012