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NHS
Mid Essex
Clinical Commissioning Group

Report to: Part I Board **Meeting Date: 26 September 2019**

Agenda No:	11
Report Title:	Request to start CCG merger application process
Executive Sponsor:	Dr Anna Davey, Chair
Written by:	Tom Wilson, Interim Project Director
Purpose of Report:	Since the publication of the NHS Long Term Plan (LTP) in December 2018, Chairs, Governance Lay Members and Accountable Officers of the 5 Mid & South Essex CCGs have been holding discussions as to how the CCGs can meet their obligations set out in the LTP to change commissioning arrangements as the current STP moves to a fully mature Integrated Care System (ICS). The core of these discussions has been twofold: - how to ensure there is a single strategic commissioning voice across the STP - how to ensure that services delivered as a result of strategic commissioning are taken as close to local populations as possible and reflect the diversity of need across Mid & South Essex covering a population of 1.2 million people. This paper provides a brief summary of the issues considered and puts forward a proposal supported by all CCG Chairs, Accountable Officers and Governance Lay members for delivering a new commissioning framework and commencing a merger application process.

How does this issue link to the CCG's Strategic Objectives?		**Please Tick ✓**
Strategic Objective 1	Improve quality, safety and outcomes and help the people of Mid Essex to Live Well	✓
Strategic Objective 2	Meet the financial challenge through responsible use of resources	✓
Strategic Objective 3	Achieve transformation, innovation and integration of services, working collaboratively with our STP and other partners	✓
Strategic Objective 4	Ensure that there is full member practice engagement to inform commissioning	✓
Strategic Objective 5	Involve and empower patients to use services responsibly and to be better able to self-manage their own conditions	✓
Strategic Objective 6	Ensure the CCG has the necessary governance, capacity and capability to deliver its duties and responsibilities and maintain its reputation and that of the NHS	✓

Approval Route: (List Groups/Committees that have reviewed this document).	**Group/Committee**	**Date**
	The proposals within this report have been discussed by CCG Board representatives at a number of workshops and at private development meetings.	Various

Have any financial implications been signed off by the Chief Finance Officer? (Please Tick ✓)	**Yes**	**No**	**N/A**
			✓
Have the following Assessments been carried	**Yes**	**No**	**N/A**

out? (**Please Tick** ✓) NB: Members may request a copy of the relevant Assessment from the Head of Corporate Governance, if required.			
Equality Impact Assessment		✓	
Quality Impact Assessment		✓	
Privacy Impact Assessment			✓
Procurements Only: Has the Procurement Checklist been completed? (**Please Tick** ✓)	**Yes**	**No**	**N/A**

Declarations of Interest:	Not applicable
Patient & Public Engagement:	Stakeholders have not been consulted directly in the development of this paper. The proposed recommendation of commencing a merger application process includes a comprehensive period of stakeholder engagement from October 2019.
Significant Risks identified:	A full risk register is being developed for this work and any risks that are relevant will be escalated through the normal CCG risk management processes
Recommendations and decision/actions required by the Committee/Board:	The Board is asked to: 1. Note the national direction of travel and requirement from NHSE in respect of commissioning structure 2. Note the case for change supported by the 5 Chairs and AOs *3.* Approve work to commence on an application for merger of the 5 mid and south Essex CCGs to be submitted following engagement with stakeholders and final Governing Body approval prior to submission.

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REQUEST TO START CCG MERGER APPLICATION PROCESS

Submitted by: **Anna Davey, Chair**

Status: **For decision**

Background

Since the publication of the NHS Long Term Plan (LTP) in December 2018 Chairs, Governance Lay Members and Accountable Officers of the 5 Mid & South Essex CCGs have been holding discussions as to how the CCGs can meet their obligations set out in the LTP to change commissioning arrangements as the current STP moves to a fully mature Integrated Care System (ICS).

These discussions have been supported and facilitated by NHS England and by external consultancy support. CCG Boards have received updates at their private development meetings in June and July.

The core of these discussions has been twofold:

- How to ensure there is a single strategic commissioning voice across the STP
- How to ensure that services delivered as a result of strategic commissioning are taken as close to local populations as possible and reflect the diversity of need across Mid & South Essex covering a population of 1.2 million people.

This paper provides a brief summary of the issues considered and puts forward a proposal supported by all CCG Chairs, Accountable Officers and Governance Lay members for delivering a new commissioning framework.

Case for Change

In June 2019 at their development sessions CCG Governing Bodies considered a paper that summarised commissioning issues that needed to be addressed which current arrangements were not perceived to be resolving either well enough or quickly enough.

In summary, the “case for change” paper covered three interlinked areas.

1. Changing the focus of strategic and local commissioning

There is a need to change the way care is commissioned and delivered. There are real benefits that can be achieved if commissioners collaborate more together, working in partnership with local communities, to deliver a systematic approach. Currently services are still commissioned and provided through a series of unconnected episodes of care with focus on prevention as much as treating ill health.

Despite increases in funding promised in the NHS Long Term Plan (LTP) demand will continue to grow and ultimately we must do more with less resource. These issues were summarised as:

- Improving population health and wellbeing through further collaboration
- Improving individual patient care through further collaboration
- Addressing financial risk through further collaboration

2. Rising to the challenge of delivering the NHS Long Term Plan

The NHS LTP was published in December 2018 and is an attempt to provide a long term (10 year) planning framework for the NHS; trying to move away from year on year planning guidance. The ambition and goals of the LTP were welcomed by all stakeholders across the health and social care spectrum. However, delivering the LTP sets a number of significant challenges:

- A move from Sustainability & Transformation Partnerships (STPs) to fully mature Integrated Care Systems (ICS) and with that the expectation for a single strategic commissioning voice per ICS
- Supporting Primary Care Networks (PCN) to develop and realise their potential as the cornerstone of a local population's access to healthcare service. The NHS has a clear objective where PCN's ultimately should be the coordinators of fully functioning integrated care teams ensuring all high risk patients have care plans with the PCN taking responsibility for managing available funding.
- Reduced management allowances for CCGs with a 20% reduction in running costs relative to April 2018 by April 2020 to be delivered.

3. Increasing commissioning capacity and capability and improving governance

To deliver these challenges it will be necessary to build commissioning capacity and capability that is currently spread across the five CCGs in mid and south Essex. To make any organisational development programme effective it will be necessary to review the current governance arrangements that have been in place since 2017 of a Joint Committee with delegated commissioning authority for some areas from each CCG; but with many decisions still needing to be taken in more than one place. Streamlined

These themes will be captured again in the STP's 5 Year Plan to be submitted to NHS England (NHSE) this November and the changes proposed in this paper are aimed at supporting the delivery of the STP's plans.

Finally during the timeframe that the case for change was being considered NHSE's East of England Regional Office wrote to all CCG Chairs and Accountable Officers asking them to confirm by the end of September 2019 their plans for delivery of the ambition for a single commissioning voice per ICS. The proposals before the Governing Body now will form the basis of the response to NHSE and has the support of the Chairs and Accountable Officers of each of the 5 CCGs in mid and south Essex.

Creating a new commissioning landscape

In the work over the summer, Chairs and Accountable Officers agreed a set of design principles that should be used to drive the changes proposed to Governing

Bodies now. The principles were:

- Ensure we have capacity and capability to deliver population health
- Enable PCNs to flourish at pace and deliver placed based care, shifting care from the acute setting out into the community
- Enable more care to be delivered closer to home, decreasing reliance on acute services and enabling investment in new models of care
- Create strong and effective commissioning of all services, improving outcomes, better value and patient experience
- Strengthen our collective negotiating position with acute providers and ability to influence wider stakeholders
- Ensure that decisions are made by the right people in a timely manner and are made only once, avoiding duplication of decision making
- Build the confidence of regulators both in what we wish to achieve for our population and our ability to deliver this
- Create exciting roles that enable the recruitment and retention of talented commissioners and leaders required to drive forward this work
- Ensure that the system is able collectively to manage and achieve the system control total and to effectively manage financial risk
- Reduce our joint running costs, achieving the 20% LTP target

Any proposal to merge CCGs needs to honour these principles.

Commissioning and delivery of services will occur at several levels as shown below.

Level	Overarching Functions
Pan Essex and beyond	• Learning Disability decision making • Emotional Wellbeing & Mental Health Services for young people • Potential repatriation of specialised services from NHS England • Cancer Alliances
ICS **(c. 1 million to 3 million people)**	• System strategy and planning • Develop governance and accountability arrangements across the system • Implement strategic change
Single CCG **(c. 1 million to 3 million people)**	• To undertake planning and strategic commissioning across acute, community, mental health and primary care services for its population
Place **(c.250,000 to 500,000 people)**	• Integration of hospital, community, mental health, council and primary care teams/services • Develop new provider models for 'anticipatory' care • Models for out-of-hospital care around specialties and for hospital discharge and admission avoidance
Primary Care Networks **(c.30,000 to 50,00 people)**	• Integrated multi-disciplinary teams • Strengthened primary care through primary care networks – working across practices and health and social care • Proactive role in population health and prevention • Services (e.g. social prescribing) drawing on resource across community, voluntary and independent sector, as well as other public services (e.g. housing teams)
GP practices **(c.8,000 people)**	• To deliver care to patients and refer to other health and social services

Figure 1: Commissioning Levels

The most significant change that will come about from the proposal for a single CCG will be the greater focus on "place". In mid and south Essex there are four clearly identified places:

- Thurrock
- Basildon & Brentwood
- Mid Essex covering Maldon, Chelmsford and Braintree
- South East covering Southend and Castle Point & Rochford

Work is underway in each place to define its own vision and ambition and these will form part of the STP 5 Year Plan that will be presented to CCG Governing Bodies before submission in November.

The role of the place based commissioning will be to typically undertake the following:

- Understand population need of a place and translate this to specific and relevant models of care
- Development of PCNs
- Integrate hospital, community, mental health, council and primary care teams/ services around the population served
- Develop and deliver models for out-of-hospital care around specialties and for hospital discharge and admission avoidance
- Develop new programmes for the prevention of ill health and the provider models for prevention
- Have the ability to pool budgets between organisations managing existing and new Better Care Fund and Section 75 agreements
- Implement local transformation programmes that align with strategic commissioning intentions and undertake the necessary change management

For the purposes of this paper the key point is that place based commissioning complements the strategic commissioning for whole population of mid and south Essex. Initially the focus for place is to support PCNs to help them work as effectively as possible and reach NHSE's Level 3 standards. Over time there will be a much greater emphasis on developing an alliance within each place, coordinating and linking the totality of organisations and services that provide for health and social well-being in a place.

The NHS LTP and the Regional Director's letter of July 2019 emphasise that the expectation is that there is a single CCG per ICS. Current CCG Chairs have been considering how such a single CCG across mid and south Essex could be constructed to ensure that it remains a clinically led body with good stakeholder support and access. Work will progress on this following consultation with key stakeholders and when the Chair of the single CCG is identified

Merger application

To achieve the new commissioning landscape fully and be compliant with the NHS LTP there needs to be a move to a single CCG within the ICS. This requires a merger of the current 5 CCGs to a new single CCG.

NHSE have issued clear guidance on the process for CCG mergers. The process ends with a vote by each CCG Governing Body to submit an application to NHSE for formal merger - new organisations come into being following NHSE's approval of the merger application in April and the application must be received a full six months before at the end of September. The full guidance is available at: https://www.england.nhs.uk/publication/procedures-for-clinical-commissioning-groups-to-apply-for-constitution-change-merger-or-dissolution/

A merger of CCGs has four elements to it: engagement; benefits realisation and risk management; application; implementation.

Initially there is a significant piece of work to engage with member practices, local authority partners and other stakeholders to receive their views and listen to their concerns. The merger application itself must show both the engagement undertaken with stakeholders and how the application itself has altered if necessary, in light of views expressed.

As part of the engagement work and core to the application a benefits realisation plan will be drawn up. This is a mechanism that allows the formal benefits of merger to be identified and ensure they are delivered. Alongside this there must be identification and management of risk that may prevent benefits being realised. Benefits can cover a number of areas such as cash releasing benefits like reducing overall corporate costs associated with accreditation and audit; financial benefits which free capacity rather than cash such as only needing to coordinate one formal CCG Governing Body meeting, risk register and Board Assurance Framework rather than five as at present allowing staff to be redeployed to other more value adding tasks; qualitative benefits such as improving the quality, speed and consistency of decision making; finally wider societal benefits such as an ability to have a greater influence on the wider determinants of health. Of course any negative effects of the merger should also be captured to ensure that these effects can be mitigated as much as possible.

An application for merger can only be submitted by a CCG Governing Body once it has assured itself of the support of its member practices. This usually happens by means of a formal vote of member practices indicating their support for the merger application.

NHSE are expected to assess the application against 10 criteria shown in Figure 2 below. This list is being reviewed by NHSE and may be amended in due course.

1. Alignment with (or within) the local STP / ICS
2. Coterminosity with local authorities
3. Strategic, integrated commissioning capacity and capability
4. Clinical leadership
5. Financial management
6. Joint working
7. Ability to engage with local communities
8. Cost savings
9. CCG Governing Body approval
10. GP Members and local Healthwatch consultation

Figure 2: Assessment criteria for CCG merger applications

Assuming NHSE support for the merger there is a six month period in which the old organisations must be closed down and staff, assets and liabilities legally transferred to the new one. This includes necessary work undertaken by NHS Business Services Authority to create a new ledger and organisational code which drive many national systems such as tying individual patient NHS numbers to their responsible commissioner.

For mid and south Essex if a decision is taken to progress with a merger application the high level timeline would be:

- Engagement with member practices, partners and stakeholders Oct 19 to May 20
- Benefits realisation planning January 20 to May 20
- CCG Governing Body decision to submit July 20 after Member Practice vote.
- NHSE decision to approve Nov 20
- Implementation phase completes Mar 21
- New organisation operational Apr 21

Conclusion and Recommendations

Benefits of the new commissioning landscape overall will be:

- to fill the lack of strategic commissioning required by move to ICS
- enhancing the role of place based teams in implementing commissioning decisions with a focus on needs of local population
- aggregating the totality of NHS, local authority and third sector resource to prevent ill health and promote well-being.

The Governing Body is therefore asked to:

1. Note the national direction of travel and requirement from NHSE in respect of commissioning structure

2. Note the case for change supported by the 5 Chairs and AOs

3. Approve work to commence on an application for merger of the 5 mid and south Essex CCGs to be submitted following engagement with stakeholders and final Governing Body approval prior to submission.