

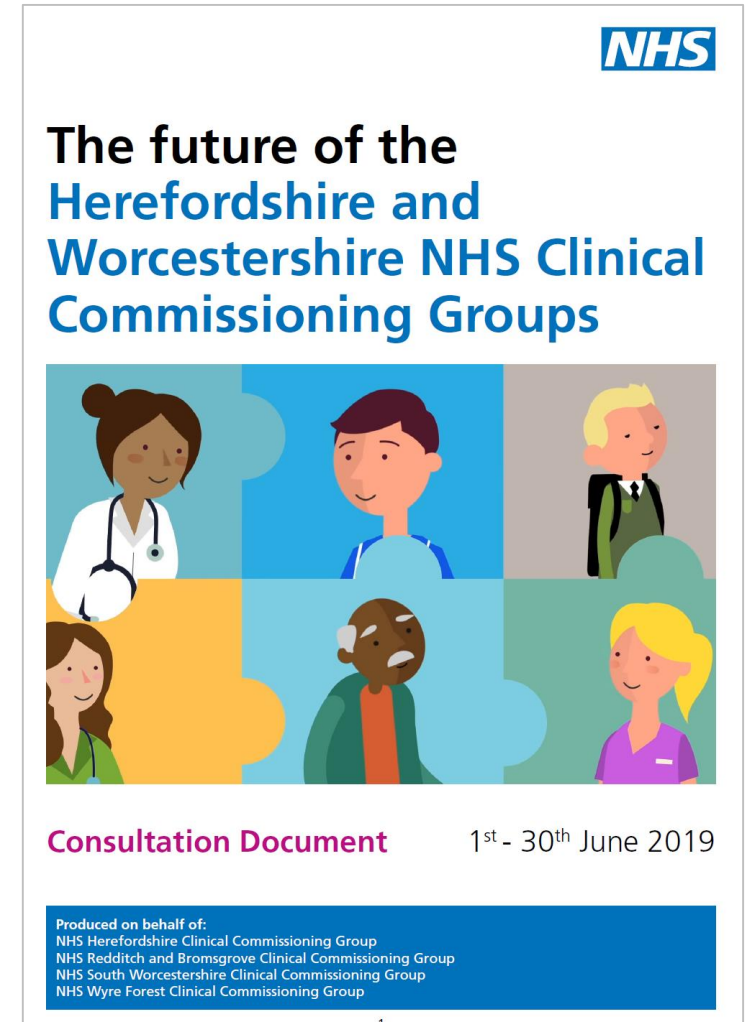
Proposal to merge the four NHS Clinical Commissioning Groups (CCGs) in Herefordshire and Worcestershire

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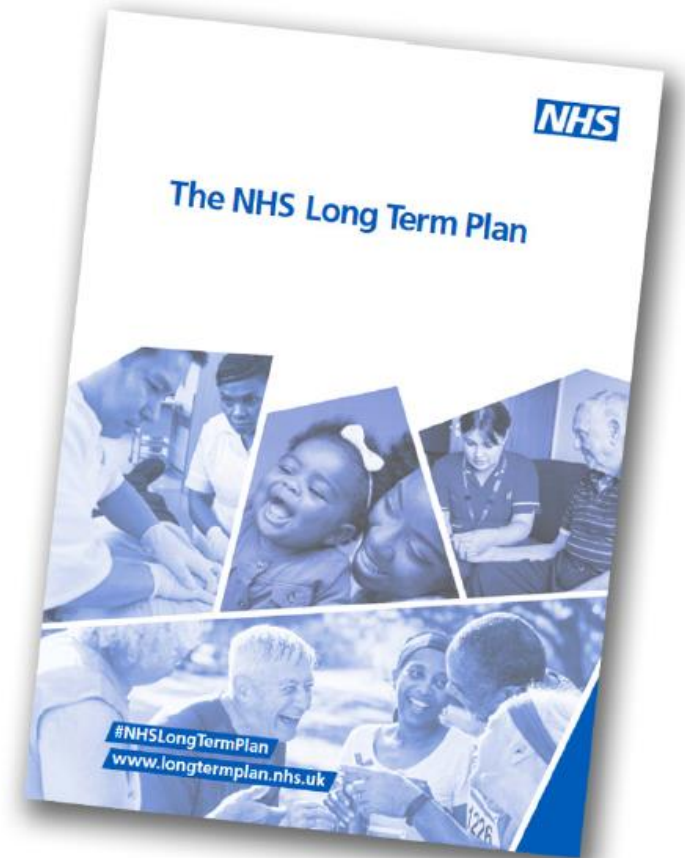
Presentation to Herefordshire Adults and Wellbeing Scrutiny Committee/Children and Young People's Scrutiny Committee

24th June 2019



Background and context

- NHS Long Term Plan published January 2019
- Continuity with previous Five Year Forward View
- Real focus on collaboration, moving away from market, competition and transacting
- *‘.....CCGs will become more strategic, leaner organisations....’*
- *‘..... There will be one CCG per STP/Integrated Care System (ICS) area by March 2021...’*



Sustainability and Transformation Partnerships (STPs) and Integrated Care Systems (ICSs)

- Three years plus into the STP journey, really has been a catalyst for a system wide approach
- Integrated Care Systems (ICS) are really the policy focus
- Health and care organisations working together to join up care and remove barriers and duplication
- Will be followed eventually by different types of contracting – single population based contracts based on outcomes
- Primary Care Networks (PCNs) as an important building block

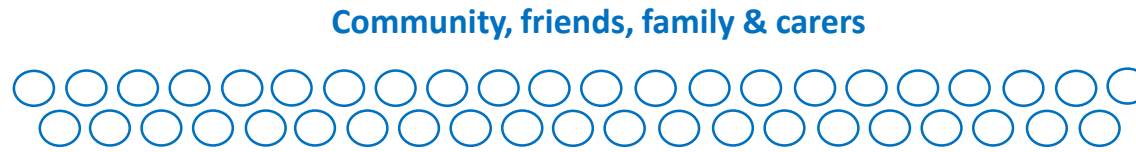
Primary Care Networks

- Also published in January, £4.5 billion extra for primary care over 5 years to fund 20,000 additional staff
- Main aims –
 - bringing GP Practices together in networks so they can support each other and increase resilience
 - create an infrastructure for the alignment of community health resources and social care
 - local actions to address health inequalities
- In Herefordshire five emerging Primary Care Networks (PCNs)
 - Hereford City x2
 - North and West
 - South and West
 - East



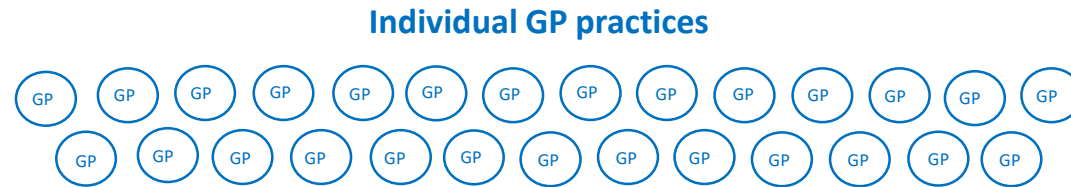
H and W STP: Our Layers of Planning and Delivery

Prevention, self help and wider community wellbeing.



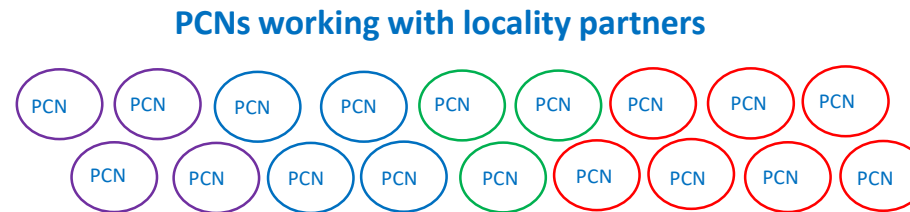
Individuals & community networks

Proactive identification of at risk individuals for targeted support



Population c. 1,000-10,000

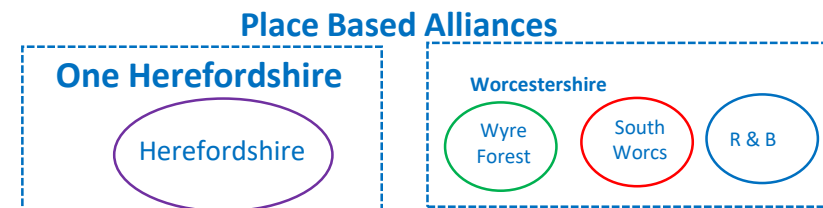
Aligned services working in collaboration to address locality needs and health inequalities



Population c. 30,000- 50,000

Place based work with local authorities:

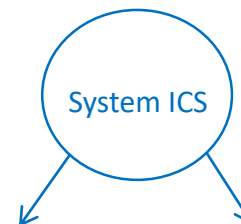
- Optimal resource allocation
- Service redesign to meet needs
- Prevention and wider wellbeing



Population c. 100,000- 500,000

Strategy and System Priorities:

- Population profiling for regional services e.g. specialised services and prevention at scale.
- Profiling of regional future population trends.



Alliances with other ICS's



Population c. 500,000+

Changes to commissioning

- Greater focus on strategic commissioning, less on detail of pathway design
- Bigger geographical footprint and larger population
- Strengthen partnership working with local Government, NHS providers and other partners at 'place level' (One Herefordshire)
- Support Primary Care Networks to develop, refocusing some of our CCG clinical leadership and input

Changes to Commissioning

The NHS Long Term Plan presents the opportunity for all NHS organisations to radically change the way in which they work both internally and in partnership with one another to help support the development of Integrated Care Systems.



For CCGs, there is an expectation that by April 2021 every Integrated Care System will have more streamlined commissioning arrangements to enable a single set of commissioning decisions at the Integrated Care System level. For Herefordshire and Worcestershire this will involve moving from four CCGs to a leaner, more strategic single CCG for Herefordshire and Worcestershire.

In achieving this there will be a change to the role of the CCG itself, shifting from the traditional model of commissioning to one with a greater focus on strategic commissioning on a bigger geographical footprint and making shared decisions with providers on how to best use resources, design services and improve population health. The CCG will also have a role in supporting providers to partner with local government and other community organisations at county or 'place' level, and in ensuring that GPs and community services are supported to deliver at their local level.

In Herefordshire and Worcestershire this will also include a shift of valuable clinical leadership resources, realigning them into roles where they will be better able to influence service delivery through developing Primary Care Networks and the new investment being aligned to these groups.

Benefits

- Patients:
 - ✓ More resilient NHS infrastructure
 - ✓ Supports drive to integrated services
- Staff:
 - ✓ Larger organisation - more resilience and reduced duplication
 - ✓ Embracing flexible working approach using technology
- Organisations:
 - ✓ Ability to influence
 - ✓ Increased financial resilience
 - ✓ 20% (£2m) reduction in management costs

Why do we want to make changes?

Although the NHS Long Term Plan makes it very clear that a single CCG should be created across Herefordshire and Worcestershire, it is important to highlight that there are many advantages associated with merging the Herefordshire and Worcestershire CCGs. They are as follows:

Benefits for Patients	
	• A single commissioning organisation would mean single commissioning policies across the STP, putting an end to 'postcode lotteries' for services and treatments across Herefordshire and Worcestershire • Less fragmentation of NHS commissioning organisations, allowing us to work together as 'one NHS' and reduce confusion over multiple commissioning organisations • Would support the move toward becoming an Integrated Care System, which in the long term will help us to focus on supporting people to stay healthy and tackle the causes of illness as well as the wider factors that affect health such as education and housing • Although moving towards a larger geographical footprint, decisions made about individual patient care would still be taken at a local level by the clinicians who are responsible for looking after them

Benefits for Staff	
	• Becoming a larger organisation would provide us with much greater resilience • Working together as one organisation rather than four organisations would generate economies of scale and reduce duplication, creating opportunities for involvement in new areas of work to support career progression and freeing up capacity • Would allow us to work in a new way, making best use of new technology to work smarter and in turn improve staff work-life balance • Creating a single Executive Leadership Team across Herefordshire and Worcestershire would provide more consistent leadership and direction for staff working across the STP footprint

Benefits for Partners	
	• Provides a single, strong and consistent vision and voice to partners • Would support the move towards an Integrated Care System and working in partnership with providers • Staff would have greater capacity to support partners as duplication of roles would be removed across the system • Although moving towards a larger geographical footprint, there are well developed partnerships which share boundaries with the Herefordshire and Worcestershire Local Authorities which we value greatly and which we would be able to provide more focus on • More integrated working with partners across Herefordshire and Worcestershire would allow various organisations to work together in a shared way; sharing budgets, staff and resources where appropriate to best meet people's needs. This would also mean designing more innovative contracts which will provide more power and flexibility to providers while reducing the bureaucracy and inefficiency associated with multiple separate contracts

Financial factors, and the potential for cost-savings through economies of scale have also been identified as a benefit from a potential merger.

All CCGs are required to reduce their running costs by 20% by 31 March 2020, which means finding a saving of nearly £2 million across Herefordshire and Worcestershire. By creating one single CCG, instead of the current four, we estimate that we could save the required £2 million.

Benefits to partners

- Strategic focus, strong and consistent voice
- Supporting the move to Integrated Care
- Capacity to engage more meaningfully at 'place' (development of One Herefordshire)
- Capacity to support development of PCNs and Locality based working



Options and process

- Outcome is predefined by national policy
- Decision to merge CCGs is for NHS England, only local decision is when to apply
- Only question is timeline and ‘how’ we do it
- Preferred option of the four CCGs is to proceed this year and merge in April 2020
- Builds on work already in place, removes uncertainty for staff and partners, much less prescription on the ‘how’
- Keen to engage and hear your views

What are the options?

We have identified two options for the future.

These options have been refined from an original list of possibilities which also included the option to not merge at all and instead simply continue with alignment of roles and functions where it would be possible to do so. However, in light of the NHS Long Term Plan making it very clear that a single CCG should be created across Herefordshire and Worcestershire by April 2021, we have removed this as we do not believe that it is a realistic option.

The two options are:

Option One: Creation of a single CCG for Herefordshire and Worcestershire by April 2020

This is our preferred option.

This option would give us a single CCG, with one Management Team, one Governing Body and one set of statutory duties for the whole of Herefordshire and Worcestershire by 1 April 2020.

An internal appraisal process of this option highlighted the following advantages and disadvantages:

Advantages	Disadvantages
- Early merger will enable a two-step change, with 2020/21 then being focused on developing the new organisation into operating more effectively as a strategic system manager - Minimises the period of change and disruption - Early clarity for stakeholders and staff - Optimises resources and reduces duplication - This option will contribute most to delivery of required running cost savings - Aligns with the expectations set out in NHS Long Term Plan	- Complex assurance process which is likely to distract staff from ‘business as usual’ - Tight time-scales to meet NHS England deadlines

Option Two: Creation of a single CCG for Herefordshire and Worcestershire by April 2021

This option would give us a single CCG, with one Management Team, one Governing Body and one set of statutory duties for the whole of Herefordshire and Worcestershire by 1 April 2021.

An internal appraisal process of this option highlighted the following advantages and disadvantages:

Advantages	Disadvantages
- Enough time to plan and design the future structure and align this closely with the function of a new strategic system manager - Opportunity to learn from other CCGs who have completed the process in 2019/20 - Aligns with the expectations set out in NHS Long Term Plan - Clear direction of travel for stakeholders	- Risk of signalling a major change but taking two years to complete – likely to impact on staff productivity and retention - Complex governance processes will still need to be introduced in the interim period while working towards full merger arrangements - Required financial savings may not be delivered through this approach

Questions

