Agenda Item 10

Leicester City Clinical Commissioning Group
West Leicestershire Clinical Commissioning Group
East Leicestershire and Rutland Clinical Commissioning Group

HEALTH OVERVIEW AND SCRUTINY COMMITTEE: 30 MAY 2018

REPORT OF LEICESTER, LEICESTERSHIRE AND RUTLAND CLINICAL COMMISSIONING GROUPS

CCG MANAGEMENT STRUCTURE

Purpose of report

1. The purpose of this report is to provide an update to the Health Overview and Scrutiny Committee on the proposal to develop an integrated senior management team for the three clinical commissioning groups (CCGs) in Leicester, Leicestershire and Rutland (LLR): Leicester City CCG, West Leicestershire CCG, and East Leicestershire & Rutland CCG.

Policy Framework and Previous Decisions

2. Changes in the organisation of CCGs across the country is being driven by increased financial pressures, the move to more system working, and a much clearer view from NHS England that CCGs should work 'at scale' across Sustainability and Transformation Partnership (STP) areas.

Background

3. The governing bodies of Leicester City, West Leicestershire and East Leicestershire and Rutland CCGs would like to create a strategic team that will coordinate the commissioning of health and care services throughout LLR.

4. In practice, this would mean the appointment of a single accountable officer (AO) and creation of a shared management team for the CCGs, while retaining the individual organisations and their governing bodies to ensure that local needs and aspirations are met.

5. There is already extensive collaboration between our organisations and we believe the time is right to build on this, partly as a result of the challenging financial and operational issues we all face.

6. Notwithstanding this, it is also acknowledged that more efficient and effective use of the LLR CCGs' management resource could be achieved by reducing duplication in a number of areas, freeing up capacity and resource to focus on required transformation, as well as providing more effective leadership and decision-making across the three CCGs.

7. As a result, it was agreed by the CCGs to explore opportunities for more efficient collaborative working that could underpin delivery of our local Sustainability and Transformation Partnership/Plan (STP) and improve joint decision making. During October 2017 a clear commitment to these principles was given by each CCG Governing Body through agreement to establish the local Collaborative Commissioning Board (CCB) as a formal joint committee of the boards.

8. In our STP area, which covers Leicester, Leicestershire and Rutland, the reasons we are proposing to make further changes with a move to single AO and shared management team include:

    • **System Change** – In response to increased demands, workforce challenges and diminishing resources, the NHS must adapt. Significant service change will be required to deliver the NHS Five Year Forward View, through STP plans, with the development of new models of care and an enhanced focus on keeping people healthy. As a result, commissioning needs to be realigned to work at scale, to deliver the leadership capacity and capability required to support the necessary strategic change of health services across LLR.

    • **Strengthened Commissioning** – A single consistent commissioning voice offers the opportunity to realign capacity, and build capability, around major service transformation and develop stronger collaboration between partners and with other stakeholders.

    • **Improved Efficiency** – Greater collaboration and integration between commissioning organisations at an LLR level is likely to provide opportunities for economies of scale that will allow us to free up and redeploy management capacity to support the delivery of key transformational priorities.

Proposals

9. A Joint Executive Steering Group has been established to develop options and proposals for consideration and decision by the individual Governing Bodies. The group is made up of the clinical chairs and deputy chairs of each organisation, and one lay member from each CCG.

10. In April 2018, the CCG Governing Bodies approved in principle a decision to appoint a single accountable officer who would lead a shared senior management team across the three organisations, subject to discussion with our practices, partners and staff.

11. Under this proposal, the three CCGs would remain as separate statutory organisations. Individual boards would continue to be accountable for their own legal responsibilities. For example, this includes the allocation of financial resources, securing the involvement of member practices and local populations in commissioning decisions, and ensuring that the health needs of patients within their geographical area are met.

12. The single accountable officer would work closely with the chairs of each CCG and their wider boards. In addition, the boards of the CCGs would work in partnership on LLR-wide issues through the existing Collaborative Commissioning Board (CCB). It is

likely that over time other CCG committees would be aligned, meeting at the same time and place, to improve joint decision making and reduce duplication.

13. Our ambition, subject to final agreement by our governing bodies and after consultation with affected staff, is to have appointed a single accountable officer by September 2018. Once appointed the single accountable officer would be tasked with developing proposals for CCG boards regarding the structure of the shared management team.

Anticipated benefits

14. The benefits of creating a system in which a single accountable officer is responsible for all three CCGs in LLR, supported by a shared management team, include:

- increased capacity to support the delivery of key transformation priorities (something which we do not currently have dedicated resource for) to deliver better health outcomes;
- consistent decision making around commissioning throughout LLR, strengthening arrangements with our major providers, and improving the focus on strategic objectives;
- enabling CCGs to work 'at scale', responding to increased demand for health and care as required by NHS England;
- a clinical focus on the needs of local areas by maintaining the statutory responsibilities of each CCG board e.g. retaining separate financial allocations and a clear requirement for those to be spent on services that meet the needs of their populations;
- the opportunity to learn from the experience of other CCGs, which have already adopted this approach, to ensure that implementation is as successful as possible;
- flexibility because pursuing this option now does not necessarily preclude future consideration of a full merger, or to more integrated commissioning arrangements with local authority partners.

15. It is imperative that a strong clinical voice and clear focus on Health Needs Neighbourhoods (HNNs) / localities is maintained within the proposed system. This is to ensure that needs are met and better health outcomes are achieved. The arrangements would build clinical representation of local need and aspirations into co-ordinated, strategic commissioning throughout LLR.

16. In the future there would be potential for increased devolution of responsibilities to HNNs / localities and practices. In addition, individual CCG boards, made up of elected GP representatives and independent lay members, would have an essential role to play in holding the shared management team to account and ensure that the needs of practices and patient populations continue to be met.

17. Furthermore, we have identified a number of factors to help ensure clinical leadership and a focus on local areas is maintained. These will be used as a test of any management arrangements:

- Service development and commissioning should be clinically led;
- There must be a clear focus that enables commissioning at three levels: system (LLR), place (Leicester, Leicestershire and Rutland) and locality (existing HNN and localities);

- Primary care must have a strong voice;
- Place-based sensitivities must be recognised and preserved;
- Skills and expertise must be maintained wherever possible;
- CCG-specific resources must be identified and protected.

Other options considered

18. The Governing Bodies also considered the following range of options:

    i. Maintaining the status quo;
    ii. Full statutory merger of all three LLR CCGs;
    iii. Partial merger of two CCGs;
    iv. Integration of CCG functions with local authorities.

19. The rationale for not pursuing these options further is set out below:

    Status Quo
    Maintaining the status quo is not considered to be a viable option. It would not address issues regarding duplication and consistency of decision making that exist in the current system.

    In addition, NHS England (NHSE), the CCGs' regulator, is clear that CCGs should be working at scale, responding to the increasing demand for health and care services, across their Sustainability and Transformation Partnership area. As a result, NHS England is not supportive of permanent replacements when key directors leave and the current management support arrangements are becoming increasingly fragile in LLR. There is the risk that NHS England may become concerned that our management arrangements are neither robust nor sustainable. In this case they could choose to issue legal directions, requiring us to take specific action (such as putting in place a single management structure).

    Full legal merger
    This is a more complex and lengthy process that would distract and disrupt our focus on improving patient care in LLR over the next one to two years. It could also be perceived as losing focus and leadership that recognises the different populations and health challenges across our three areas. A merger might be a sensible longer term direction but is not considered to be a feasible next step in the evolution of the LLR CCGs, not least as a result of the amount of work required to progress this option and the associated timescales.

    Partial merger
    A partial merger of two CCGs, (for example, West Leicestershire and East Leicestershire and Rutland), entails similar challenges to a full merger and may not address all of the issues we face with respect to duplication of activity and consistency of decision making.

    Integration of CCG functions within local authorities
    Combining the function of CCGs and their respective local authorities can bring benefits in relation to the integration of health and social care services. However, the different priorities of the respective CCGs and local authorities, coupled with

complexities around accountabilities and governance, would make this difficult in the short term. Having three separate organisations across the city and two counties would run the risk of replacing one set of fragmented commissioning arrangements with another. Closer integration on specific commissioning areas is not precluded by pursuing the proposed joint working option across the CCGs.

Engagement

20. The views of our staff, practices and statutory partners are very important to us and it was agreed by the CCG Governing Bodies, to seek the views of these groups on the proposals. We have shared a document outlining the proposal, the reasons for change, the benefits, a summary of other options that have been considered and the next steps.

21. We are currently engaging with staff and practices, via an online survey in addition to the existing mechanisms for face-to-face discussion already in place such as locality meetings and staff briefings.

22. CCG Clinical Chairs have discussed the proposed changes with the Chairs, Chief Executive Officers and senior elected members of NHS provider organisations and local authorities. Organisations were also offered the option of writing to the Clinical Chairs directly with their comments.

Resource implications

23. The purpose of the restructure is not primarily to reduce headcount, but rather to make better use of the resource we have available to us. Our guiding principle would therefore be to avoid unnecessary redundancy payments and loss of skills and expertise wherever possible. However, we think it is likely that the changes may lead to some reductions to our current running costs for Board level posts.

Timetable for Decisions

24. The views of staff, member practices and partners are important in helping us to reach a final decision. It is anticipated that feedback from the engagement on the proposals will be brought before the governing bodies in public session during June.

25. If a final decision is made to proceed with the proposed arrangements there is a lot of work required to identify and agree the details of the arrangements and establish a process for recruitment of the accountable officer. This would include consultation with affected staff. The aim however, would be to complete the process as efficiently and quickly as possible.

Conclusions

26. The governing bodies of Leicester City, West Leicestershire and East Leicestershire and Rutland CCGs would like to create a strategic body that will coordinate the commissioning of health and care services throughout LLR.

27. In practice, this would mean the appointment of a single accountable officer and creation of a shared management team for the CCGs, while retaining the individual organisations and their governing bodies to ensure that local needs and aspirations are met.

28. It is anticipated feedback from the engagement on the proposals will be considered by the governing bodies in June, for a final decision.

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Relevant Impact Assessments

Equality and Human Rights Implications

29. All management of change processes are undertaken in accordance with CCG human resource policies that have been impact assessed.