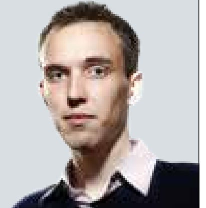
HSJ LOCAL briefing

hsj.co.uk/briefing

June 2013

THE COMMISSIONING WORKFORCE POST TRANSITION

HSJ Local Briefing is our new in-depth analysis of the key issues facing the NHS's major health economies



david.williams@emap.com
@dwiliamsHSJ

In brief

Issue We wanted to find out how the NHS commissioning workforce has been distributed around the various new organisations following the government's reforms to the health service, and to see what this could tell us about the new system. HSJ has gathered workforce data from: more than half of clinical commissioning groups; commissioning support units; NHS England; Public Health England; Health Education England; and NHS Property Services.

Context In accordance with the Health Act 2012, the NHS commissioning system underwent an enormous organisational upheaval in April. This saw the abolition of primary care trusts and strategic health authorities, and the establishment of CCGs, CSUs and the new set of arm's length bodies.

Outcome: We've obtained headcount and full-time equivalent figures, as well as pay band banding data, for most organisations we approached. Our research found there is more than a 100-fold variation in the number of people employed by CCGs. The data showed variations in CSU use and in sharing services. CCGs are only a quarter of the size of PCTs, but have a disproportionately senior workforce.

Context

Since reforms stemming from the Health Act 2012 were brought into effect at the beginning of April, the NHS commissioning functions transferred from now defunct primary care trusts and strategic health authorities to new bodies.

These include local decision making and contract management, specialised and primary care commissioning, back office functions such as human resources and finance, workforce training functions, public health and estates management.

The functions have moved into a complex new commissioning landscape. This is dominated by the new statutory organisations, clinical commissioning groups and NHS England, but the picture is completed by new arm's length bodies and commercially focused organisations including commissioning support units.

Along with the transfer of functions, thousands of former PCT jobs have moved over into the new system. The transfer, and the lack of clarity about it, was the source of intense frustration for many staff, even quite late in the transition process.

Since the transition happened there has been no published assessment of how the new NHS commissioning workforce is composed. This briefing seeks to fill the information void, and to try to understand what the workforce can tell us about the sector as a whole.

Variation in CCG size

There is a more than a 100-fold variation in the number of people employed by CCGs, HSJ research has found. This has prompted concerns over the viability of some of the smaller CCGs.

The finding comes from an HSJ investigation into the NHS commissioning workforce since the transition to the new organisational structure in April.

We gathered workforce data from new organisations established as part of the Health Act reforms and have information from CSUs, NHS England, more than half of CCGs, Public Health England, NHS Property Services Ltd and Health Education England. The research found that while some CCGs employ as few as three full time equivalent staff, others employ more than 300.

This divergence goes way beyond any that might be explained by differences in the size of populations CCGs cover, which varies by a factor of 10, or the amount of support services CCGs buy in from CSUs, which HSJ has previously found varies threefold.

The largest CCGs are those that opted to retain support services in house rather than use CSUs. These are: Northern, Eastern and Western Devon CCG, which employs 369 FTEs; Dorset CCG, which employs 229 FTEs; and Cambridgeshire and Peterborough, with 228 FTE staff.

Shared management teams

The other factor behind such wide variation is whether or not CCGs have elected to share their management teams.

Fareham and Gosport CCG, for instance, employs three FTEs but has a shared management team with two of its neighbours: South Eastern Hampshire, which employs 38 FTE staff; and Portsmouth, which has 66 FTE staff.

Neither Newcastle North and East CCG nor Newcastle West CCG have any employees on their payroll, as they are in an "alliance" arrangement with Gateshead CCG, which employs 37 FTE staff.

Appropriate size

Chris Naylor, fellow at the King's Fund, told HSJ there was no "ideal size" for a commissioning organisation but the smaller CCGs with alliance arrangements carried a risk of alienating local practices that wanted to avoid working across larger geographies.

"You can envisage that, over time, some of the smaller CCGs working in alliances can start asking questions about whether it makes sense to continue as separate organisations or whether there's a case for merging," he said.

Marisa Howes, national policy officer for Managers in Partnership, said her members expected to see more "churn" in organisational structures as "we don't think some of the smaller ones are viable".

One CCG source told HSJ they expected to see CCGs becoming more uniform in the amount of back office support they buy in from outside over the coming year, as the optimum scale for various functions becomes clearer.

Another source, whose CCG shares most of its staff with neighbours, acknowledged they would have to merge if their running cost allowance could not support them at their current size, and Rupert Gowrley, a director at MHP Health Mandate, agreed that more "harmonisation" between CCGs was likely.

However smaller CCGs defended their arrangements. Four in Berkshire – South Reading, North and West Reading, Newbury and District, and Wokingham CCGs – which each have only 3.1 non-shared FTEs, said their structure was "economic and efficient". They said it enabled them to scale up for shared transformation programmes and still retain a local focus for other work.

A spokeswoman for all four said: "We are truly independent organisations. We acknowledge our structures are unique from other CCGs and, as such, we regularly review our structures and processes."

Meanwhile, a spokeswoman for Fareham and Gosport said: "Mergers are not inevitable as each CCG has a separate governing body and separate clinical cabinet made up of local GPs, which are focused around commissioning health services for their distinct population."

Comparing the CCG and PCT sectors

HSJ LOCAL briefing

hsj.co.uk/briefing June 2013

THE COMMISSIONING WORKFORCE POST TRANSITION

The 124 CCGs for which we have data – out of 211 CCGs – employ 16.6 FTE staff per 100,000 population. This makes it just over a quarter of the size of the PCT sector, which employed 63.9 FTEs for every 100,000 people. Assuming the 124 were representative, the data suggests the CCG sector as a whole employs around 9,000 FTE staff, compared with the 35,585 employed by PCTs in February 2013.

However, HSJ's research was not sufficiently exhaustive to account for everyone in the PCT system. Even when projections were added in to account for the CCGs that did not respond, our figures were about 5,000 short – and shorter still if we assume that some of the CSU and NHS England staff will have come from strategic health authorities.

In addition, we did not gather information from councils, which took on some public health duties from PCTs.

The seniority of the CCG workforce

Our analysis also shows the CCG workforce is proportionately more senior than that of PCTs – or any other part of the new system. Forty-one per cent of CCG staff on the Agenda for Change pay structure were in bands 8 or 9, or very senior managers. Excluding very senior managers, the proportion in bands 8 or 9 was 39 per cent, compared with 23 per cent of PCT staff.

NHS England has 38 per cent of its staff on the most senior grades, but has a significantly lower proportion of band 6 and 7 staff than CCGs. As a result it has proportionally more band 1–5 staff than CCGs. This compares with 26 per cent on the most senior grades at Public Health England and 28 per cent at Health Education England. These two bodies' workforces are weighted towards band 6 and 7 staff.

NHS Property Services's workforce is weighted to the lower end of the scale, with more band 2 staff than any other paygrade. This is due to the high number of directly employed facilities staff such as cleaners.

What does it all mean?

It doesn't mean CCGs are necessarily going to be more powerful than PCTs. Our projections are that the CCG sector will employ 3,500 in bands 8 and 9, and very senior manager posts. That compares with 9,300 posts in bands 8 and 9 in PCTs, or 10,500 if you assume all the "unknowns" in PCTs were very senior managers.

The seniority of the CCG workforce is probably down to the fact that the sector is only about a quarter of the size of the PCT sector – very crudely, the last jobs you can strip out of CCGs when their running costs are squeezed and posts are hived out to the CSUs will be the senior decision-maker roles.

Of course, this study focuses on NHS managers on the AfC pay structure – we should note, the point of CCGs is the added value of having clinicians on the boards. The data we got back from CCGs on this was very inconsistent – for instance some only gave us data on AfC staff and very senior managers, leaving out board members, while others bundled clinicians together with lay board members.

In addition, much of the data related to headcount rather than FTE, and many clinicians on CCG boards only spend one or two days a week with their CCGs. As a result, it's hard to draw any firm conclusions from the information we gathered on clinicians on CCGs boards.

Commissioning support units

Sadly we don't have the pay banding breakdown for this crucial new sector in the NHS commissioning system. NHS England and the NHS Business Services Authority were working on it as we published this briefing but they couldn't get it to us before our deadline. So, as it currently stands, we don't know if there are just a lower proportion of junior pay grades in the system now, or if the many staff in bands 1 to 5 were transferred to CSUs.

We do know CSUs employ 8,855 people – more than NHS England and less than our projection for the CCG sector. And we did get headcount figures for each CSU, which have not previously been published:

CSU Headcounts	
Anglia	208
Arden	293
Central Eastern	677
Central Midlands	451
Central Southern	465
Cheshire and Merseyside	552
Greater East Midlands	758
Greater Manchester	441
Kent and Medway	765
North and East London	380
North of England	561
North West London	652
North Yorkshire and Humber	341
South	345
South London	268
South West	271
Staffordshire and Lancashire	319
Surrey and Sussex	344
West and South Yorkshire and Bassetlaw	764
CSU sector total	8,855

It's certainly the case that all the band 8s, 9s and very senior managers in the various bits of the new system were previously part of some fairly well-established local decision-making teams in PCTs. Two well-connected people said splitting senior teams could only lead to fragmentation. At the very least, in many areas, former colleagues will now be spending a lot of time and effort over the next few months trying to establish workable business relationships.

The immediate future

Keep an eye on the variation between CCGs. As they find their feet, it is likely there will be more movement in the market over the coming year; it will be interesting to see whether any of the closely allied CCGs merge and whether some consistency emerges over which services are provided in-house and which are bought from CSUs.

The deciding factor in all of this will inevitably come down to the relationships CCGs have with their CSUs and their neighbours – and this is much harder to assess objectively based on the data we've gathered.

People we spoke to expected to see the CCG sector become more consistent over time, in terms of the functions hosted in-house and those bought in, as it will become apparent which jobs are best done locally and which need to be carried out at scale.

It will be interesting to see whether the CSU sector as a whole expands or contracts, and whether this is because CCGs are pulling functions in-house or finding alternative providers outside of the NHS.