



Report to NHS North East Essex CCG Board

Board Meeting Date: 28th January 2014

Agenda No: 10 c

FOR INFORMATION

Report Title: Commissioning Support Services

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1. Summary

Concerns about the delivery of services under the Service Level Agreement (SLA) with Central Eastern Commissioning Support Unit (CECSU) have previously been reported to the Board, the most recent paper being November 2013. Agreement has already been reached to terminate three services.

The CCG has undertaken a review of each remaining service line currently commissioned, in accordance with the national toolkit issued under, Gateway 00673 and the detail of this is summarised in Appendix 1.

2. Key Points to Note

Termination of the whole agreement at September 2014 has been considered as an option. However, in the context of the national procurement activity, acting unilaterally will mean that the CCG will be required to undertake this work only months before a new framework agreement is available. This will affect the range and quality of supplier response, and require the CCG to use considerably more capacity and resource in the procurement than would be necessary under the framework. There are also indications that full cost release would not be achieved at termination.

Some CECSU services are likely to be significantly impacted by the implementation of the CCG strategies as they become realised through planned procurement. The full implication of these procurements on the CCG itself, and therefore the commissioning support services is still under discussion internally.

3. Risks Identified

Under-performance in some areas is having a detrimental effect on the delivery of CCG contracting arrangements, governance and delivery of strategy. The repatriation of those service lines has already been agreed, and notice served.

The CECSU itself has needed to address a number of legacy issues and demands from the centre which has limited progress in building an outward facing customer relationship. Whilst this is now being addressed in



a number of service lines, others will continue to be based on mutually agreed Improvement Plans and measures. The continued monitoring of progress in these Improvement Plans will need to be linked with the negotiation of contract extension and termination arrangements.

The current service specifications were supplier driven at a point of significant organisational change. The specifications are generic across the participant organisations. Any service to be extended beyond the original term will require a review of the specification in order to ensure that it is consistent with the strategy and priorities of the CCG. The negotiation strategy associated with any extension of service beyond September 2014 will also need to address the terms of that extension to ensure that at final termination of contract there are no “stranded costs” remaining.

4. Resource Implications

There is a target for the CCG to reduce expenditure on running costs by 10% by April 2015. Where services are being repatriated, they are being done so with the intent of achieving that savings target as a minimum.

The national agreement which CCGs were required to sign makes provision for the termination of service lines within the agreement, but the terms of that termination favour the supplier organisation. This has resulted in the need to negotiate termination arrangements on a line by line basis in order to achieve the full cost release. Some double running costs will be incurred during Q4 of 2013/14 and Q1 of 2014/15. These are built into the financial plan of the CCG.

5. Implications for engagement and communication

The engagement levels between supplier and CCG have been high during 2013/14

6. Equality and Diversity

Equality and Diversity issues are addressed within the individual service lines of the contract. There are no Equality and Diversity matters associated with this paper.

7. Recommendation

The Board is asked to note the content of the progress report attached, and to agree the delegation of decision making regarding the future arrangements for service lines in this contract to the Operational Executive.



Appendix 1 - MAKE/SHARE/BUY – REVIEW OF COMMISSIONING SUPPORT SERVICES

Previous Board reports associated with the Central Eastern Commissioning Support Unit SLA have updated members on the ability to extend that agreement until April 2016. In tandem with this guidance, NHSE has advised that it is progressing national framework procurements which will provide a list of accredited suppliers for

1) GP IM&T

2) A “Lead Provider” arrangement, where providers are expected to deliver or sub contract for

Business Support and Transactional services,

Healthcare Procurement and Provider management,
Service specific redesign,
Communications and PPI,
Business Intelligence, Data management and information governance

3) Clinical Support to CCGs:

Medicines optimisation and Prescribing Services
Management of complex case reviews
Case Management
Continuing Healthcare and FNC
Safeguarding advice and supporting systems

Contract lengths for national framework arrangements are being suggested as between 5 and 7 years. Commissioning Support Units, as well as other independent sector providers are to be invited to participate in the procurement, which is likely to commence in March 2014. The organisational form for the NHS Commissioning Support Units has yet to be agreed.

In tandem with the national developments, NHS England issued guidance to CCGs on how to consider the future commissioning of Commissioning Support Services in November 2013 (Gateway 00673).

In summary, the guidance requires the CCG to consider whether it wishes to deliver a range of commissioning services in house, in collaboration with other CCGs or through a contract –(‘Make’ ‘Share’ or ‘Buy’), in preparation for the expiry of current Service Level Agreements in September 2014. As noted at the November Board, these agreements can be extended to a final date of April 2016.

The Make /Share/Buy review has focused mainly on “soft” data, as VFM benchmarking data is extremely limited at present. Suppliers are reluctant to release information, as it is seen to be commercially sensitive in the context of the imminent procurement and in addition, CCGs have configured their own structures and resources very differently.



It should also be noted that, despite significant effort, it has not been possible at this point to establish the full commissioning intentions of other Essex CCGs in respect of the CSU contract.

PROCESS OF REVIEW IN NORTH EAST ESSEX CCG

Establishing “where are we now”

- 1) Review of current SLA performance
- 2) Review of individual service line risk assessments
- 3) Meetings with Service Line managers and SWOT analysis
- 4) Reviewing or establishing improvement plans
- 5) Establishing the service satisfaction and commissioning intent of other Essex CCGs

Establishing “where we will be by April 2016 and beyond”

- 1) Review of organisational strategies and procurement plans
- 2) Identification of the organisational requirements to manage and monitor a different contracting regime.
- 3) Review of organisational development plans

Analysis of Risk to delivery of statutory functions and service strategy against complexity of service line

- 1) Identifying the priorities for short and medium term change, and the costs associated with those changes
- 2) Identifying areas for re-negotiation within the existing SLA

Identifying and agreeing the options for the future

- 1) Development of a business case to support the proposal.
- 2) Consideration of the length of any extended agreement with CECSU, and how the services that will need to be contracted for are “bundled” within the CCG
- 3) The appropriate timing for any procurement for business support/transactional services
- 4) The appropriate timing for any procurement for service transformation and redesign partnership

PROGRESS OF THE REVIEW

1. Repatriation Of High Risk Service Lines

The CCG had well documented review process for the existing SLA in place, which identified three key service lines within the SLA where CSU performance was detrimentally affecting the capacity to manage CCG business and deliver statutory functions, or creating a potential reputational /patient safety risk, and also created a risk to the delivery of service strategies.

These service lines were:

- Individual Funding Requests (IFRs)
- Business Intelligence
- Contracting



The Board delegated responsibility to the Operational Executive to progress a solution to the performance issues. The CCG service leads for these areas worked closely with CSU leads from inception, to support operational delivery and gain assurances of capability and quality of support.

However, all services were deemed inappropriate to meet the CCGs needs and requirements, and six months' notice was given in June 2013.

IFRs were repatriated to the CCG from 1st December, with the incumbent staff transferred via TUPE to the CCG and their management transferred to the Head of Contracting. This service was previously managed under the same arrangement prior to going to CSU – and is running well.

Contracting services are being repatriated during January 2014, with comprehensive handover arrangements in place for the CCG to take on in a planned and managed way – with a clear identification of any areas of key risk or outstanding issues requiring resolution. The CCG contracting team has been strengthened by the appointment of additional staff, and at present further temporary support from Attain. There are some 'stranded costs' that remain with the CSU, meaning the full service line value cannot be released. However, the CCG have agreed that the CSU will continue to provide a small range of services until July 2014 when all costs are released.

For Business Intelligence, the notice was extended for a further six months after improvements in delivery, communication and management support. However, the inflexibility of a team detached from the CCG, the lack of rapid decision making or commitment to defined strategy and the lengthy and convoluted process for development has proved unsuitable for CCG needs. Notice has therefore been further given and services will transfer to the CCG in June 2014. Recruitment is underway for CCG staff in preparation for the transfer of services.

2. Identification of Service Lines creating risk to Strategy/QIPP implementation

Medicines Management

An Improvement Plan has been agreed with the Account Manager and Service Line Managers in the CCG and CSU. However progress is felt to be slow and the model of commissioning support does not currently facilitate progress with local priorities, and appears to duplicate work in some areas. Work is currently on-going to establish whether this service should be totally repatriated, or whether some elements of the service should remain with the CSU, whilst. A Business Case for Change is being drafted, which will seek to manage any change in conjunction with Mid Essex CCG in order to minimise the impact of stranded costs at the CSU. The Board is asked to delegate authority to progress this case to Operational Executive, in conjunction with the chair of TDC.

Continuing Health Care

This service line continues to cause concern in terms of the backlog of work, both in terms of current CHC patient reviews and new referrals. However, analysis of strategic requirements for commissioning practice and market management, both across Essex and within NEE, suggests that any proposal to change the organisational delivery arrangement before April 2015 would only exacerbate issues. The CSU has identified a stratified work programme, and implementation of that is being discussed with provider organisations in NEE. Whilst progress in achieving a solid platform and single information system across Essex has been slow, the CCG has received assurance that work is in progress, and the CSU team have



committed to increase engagement in local discharge planning activity, facilitation of workshops and support to the CCG in possible development of a CQUIN and delivery of knowledge and skills training.

Work to address other legacy issues associated with the NEE service is also underway, and the CCG has identified a named person to take a more active role in the relationship management with CSU.

Finance – Management Accounts

Whilst the performance of this service has caused concern within the CCG, the analysis of options suggests that in the first instance a more detailed improvement plan should be developed between the parties. In the event that progress is not evident within agreed timescales, then the Operational Executive committee would wish to consider development of a business case for change.

GP IM&T

It would appear that initial problems with this service have settled, and the requirements of the national framework for core and discretionary services are being progressed. This service line is outside the main agreement between the CCG and CSU and any re-procurement will need to be in line with the intentions of the LAT. A GP IM&T group is to be formed with the Primary Care Team and CSU to explore how the strategy implementation might require locally funded developments within the GP IM&T service in order to ensure that commissioned services are meeting agreed patient needs and service objectives.

3. Other Commissioning Support Services

This encompasses HR, Corporate Services, Procurement, General IM&T, Communications and Finance Technical Accounting.

These service lines have presented no major issues within the risk assessments. It has been difficult to judge whether they represent value for money within such a short timeframe, and there is difficulty in obtaining any benchmarking data.

In respect of Communications, the initial proposals received from the newly appointed CECSU service lead, represent a significant shift in service delivery, and have the potential to address identified gaps in strategic support and in house technical support, thus improving capacity for planned engagement and proactive media engagement.

In some instances, the service specifications were written very much for the “old world”, and it is proposed that these should be revised to incorporate CCG requirements for 2014/15 and beyond. Subject to satisfactory contract re-negotiation for 2014/15, these services can then be procured no later than September 2015 using the new national framework contract being developed.

Provisional recommendations, subject to continued negotiation with CECSU

The outcome from the work to date is summarised in Table 1 below. These are interim recommendations, and will depend on the outcome of the negotiations with CECSU over the next two months regarding the release of costs associated with any proposal to introduce significant change to a service, and may also be affected by the decisions of other CCGs as they become clear.



The decision about when to re-procure services categorised under the “Buy” option will also depend on the progress made in national procurements, and the alignment of those service offerings to the requirements of the CCG.

SERVICE LINE	MAKE	SHARE	BUY
BUSINESS INTELLIGENCE	X		
CHILDREN&MAT (CAMHS/CHC)	Subject to wider discussion		
COMMUNICATIONS			X
CONTINUING H CARE (Assmt)			X
CONTRACTING	X		
CORPORATE (INC FOI/GOV)	X		X
FINANCE			X
HR & WORKFORCE			X
IM & T inc GP			X
MEDICINES MANAGEMENT	To be determined		
MH/LD COMMISSIONING		X	
PROCUREMENT & M /MGT			X
PMO	X		
IFR	X		
<i>Table 1 Make/Share/Buy - interim position (Dec 2013)</i>			