

<b>Report To:</b>	Governing Body Meetings in Common
<b>Report Title:</b>	Future of Healthcare Commissioning - Update
<b>Report From:</b>	Liz McLean, Consultant Anita Wilson, Associate Director of Governance and Corporate Affairs
<b>Date:</b>	26 September 2019
<b>Previously Considered by:</b>	Executive Team

<b>Action Required</b>							
<b>Decision:</b>	✓	<b>Assurance:</b>	✓	<b>Information:</b>		<b>Confidential</b>	

<b>Purpose of the Report:</b>
To update the Governing Bodies on the progress to address the concerns raised by Members and Governing Body members following the presentation of the case for change on 22 May 2019.
<b>Key Points:</b>
<p>The vote concluded in June 2019 with overwhelming support to explore Options 2 and 3 as detailed in the case for change.</p> <p>A timetable has been set which has allowed more in depth discussion at the August Governing Body development session on Place, Timescales and financial due diligence. Governance arrangements for Place were discussed initially with Governing Body members at the June development session and were further developed for discussion in August. Engagement with our members has continued and will continue to do so throughout the next two months.</p> <p>A Joint Health Overview and Scrutiny Committee has been called for the 14 October 2019</p> <p>A Joint Governing Body development session with South Warwickshire CCG has been organised for the 16 October</p>
<b>Recommendation:</b>
<p>Governing Bodies of Both CCGs are asked to</p> <ul style="list-style-type: none"> <li>• <b>NOTE</b> the contents of the report</li> <li>• <b>AGREE</b> that additional actions, information undertaken by and assurances presented to the Governing Bodies is sufficient to date to address the matters raised in discussion in May 2019</li> <li>• <b>HIGHLIGHT</b> any further requirements such that Officers can seek and provide any remaining assurances required by Governing Body members.</li> <li>• <b>AGREE</b> that the final assurance paper in support of the original case for change will be presented at the November Governing Body meetings in common and that following this the options will be put to a membership vote.</li> </ul>

Implications							
<b>Objective(s) / Plans supported by this report:</b>	NHS Long Term Plan requirements for strategic commissioning arrangements						
<b>Conflicts of Interest:</b>	None						
<b>Financial:</b>	<b>Non-Recurrent Expenditure:</b>	N/A					
	<b>Recurrent Expenditure:</b>	N/A					
	<b>Is this expenditure included within the CCG's Financial Plan?</b>	<b>Yes</b>		<b>No</b>		<b>N/A</b>	√
<b>Performance:</b>	N/A						
<b>Quality and Safety:</b>	N/A						
<b>Equality and Diversity:</b>	<b>General Statement:</b> The CCG is committed to fulfil its obligations under the Equality Act 2010, and to ensure services commissioned by the CCG are non-discriminatory on the grounds of any protected characteristics. Policies/decisions may need to be adjusted in line with any equality analysis or due regard. Any decision that is finalised without being influenced by appropriate due regard could be deemed unlawful.						
	<b>Has an equality impact assessment been undertaken?</b>	<b>Yes</b>		<b>No</b>		<b>N/A</b>	√
<b>Patient and Public Engagement:</b>	Engagement plans will be determined						
<b>Clinical Engagement:</b>	Members will be engaged with throughout the process						
<b>Risk and Assurance:</b>	There is a risk of further delays to agreeing the strategic direction of the CCGs.						

# Transition Case for Change

Update following Governing Bodies decision to recommend Option 3 to members

## 1. Background

The NHS Long Term Plan (LTP) was released in early January 2019. This outlined a new service model for the NHS. Every Sustainability and Transformation Partnership (STP) area in the country is to be, or be part of, an Integrated Care System (ICS) by 2021. It states that an ICS will typically have one CCG with streamlined commissioning and accountability for the population across the ICS, in place by April 2021.

Following a period of engagement with members, staff, partners and the public, between December 2018 and May 2019, an initial case for change was developed, outlining the options available. Any options which involve agreeing the strategic direction of the CCG is a decision reserved to the Membership of the CCGs.

These options were to choose to do nothing, to retain three CCGs as individual statutory organisations but with a single management structure, or to fully merge, with the three CCGs becoming one statutory organisation.

These options, and the case for change, were considered by the Governing Bodies of the three Clinical Commissioning Groups on the 22 May 2019.

The Governing Body of South Warwickshire Clinical Commissioning Group voted to recommend the option of full merger and the majority of their members voted for a full merger.

The Governing Bodies of Warwickshire North CCG and Coventry and Rugby CCG voted to recommend the option of full merger, with the caveat that they required further assurances on;

- the future governance arrangements for each Place,
- appropriate due diligence to be undertaken and;
- clarity as to the proposed timescales for change.

Members in Coventry and Rugby and Warwickshire North, following discussions with the local LMC were asked to vote on whether they supported the CCG exploring closer working with the three Clinical Commissioning Groups, or not. Both memberships voted to support the exploration of the closer working options.

## 2. Actions following the May/June Vote

Since the Governing Body in May further work has been undertaken to strengthen the case for change with the additional information requested by the Members and the Governing Bodies. Both Governing Bodies participated in a development session held in August 2019 and received further assurance in relation to the three areas detailed above.

Discussion took place in respect of the financial aspects of any merger or closer working. There was also discussion on the development of the arrangements with regard to 'Place'.

Work has been undertaken with staff to further identify benefits and disbenefits of each option and the engagement programme with members and external organisations has continued.

A timetable was compiled and presented to the July meeting. This has now been reviewed and actions extended to the November Governing Body meeting date (Appendix A).

### **3. Next steps**

Throughout September and October, the three CCGs will continue the dialogue with their respective Members, LMCs and staff to keep them updated on the progress.

Responses to the questions raised by the LMCs in June are being finalised for formal discussion on 9<sup>th</sup> October with all three Chairs and both Accountable Officers.

The Governing Body development session planned for early October to take place jointly with the South Warwickshire CCG Governing Body will receive the draft 5 year commissioning plans; financial strategy and financial plan as required by the STP, the deadline for which is set nationally. A joint Health Overview and Scrutiny Committee (HOSC) meeting has been scheduled for October 14<sup>th</sup> between Coventry City Council and Warwickshire County Council and will receive some of this same information.

At the October development session Governing Bodies may expect to receive more refined information on benefits/disbenefits for discussion together with a paper on the financial assurance.

### **4. Recommendations**

That the Governing Bodies

- **NOTE** the contents of this report
- **AGREE** that additional actions, information undertaken by and assurances presented to the Governing Bodies is sufficient to date to address the matters raised in discussion in May 2019
- **HIGHLIGHT** any further requirements such that Officers can seek and provide any remaining assurances required by Governing Body members.
- **AGREE** that the final assurance paper in support of the original case for change will be presented at the November Governing Body meetings in common and that following this the options will be put to a membership vote.

## Appendix A - Timeline of activities and engagement opportunities

### May 2019

*May GB meeting to review the outcome of the consultation - agreement to proceed with preferred option or review options*

- ✓ 22<sup>nd</sup> - GB meeting to discuss case for change and agree recommendations to Members for vote
- ✓ 23<sup>rd</sup> - vote commences in all three CCGs

### June 2019

- ✓ Outcome of vote known

### July 2019

- ✓ Meeting with NHSE to assess pre-application phase
- ✓ Presentation at Coventry HOSC
- ✓ Engagement plan development
- ✓ Confirmation of timetable for appointment of 'CO & CFO
- ✓ Due diligence requirements defined with members
- ✓ Benefits realisation of all options begun
- ✓ Timetable of STP documents built into delivery plan timetable
- ✓ Place priorities reviewed
- Agree budget transition
- ✓ Risk identification in respect of options

### August 2019

- Due Diligence assets and liabilities begins
- ✓ Engagement programme continues
- ✓ Benefits realisation plan largely completed and discussed with GB
- ✓ PCNs & Place governance designed to link with priorities
- ✓ Resource plan complete
- ✓ Further information regarding activities at Place versus Strategic Commissioner
- ✓ GB Development session to review progress against revised timeline

### September 2019

- ✓ GB report and update to reach agreement on satisfactory progress to return to LMC and members
- 26<sup>th</sup> - Responses to LMC questions finalised

### October 2019

- 9<sup>th</sup> - LMC meeting with all Chairs & AOs
- 14<sup>th</sup> - Joint HOSC meeting
- 16<sup>th</sup> - Joint GB development session
  - Draft System plan
  - Draft financial strategy
  - Draft Place plans
- Engagement programme continues
- Outcomes of public engagement received
- Due diligence work received formally and discussed (F&P & with members and GB at development session)
- Voting process designed and tested with Chairs & LMC

### November 2019

- Members engagement continues
- 20<sup>th</sup> - GB full documents
- 21<sup>st</sup> - Members Council
- 21<sup>st</sup> - 31<sup>st</sup> - Members voting period

### December 2019

- Constitution revisions start to be considered - subject to outcome of vote
- Other documents to start in preparation for merger application (should this be the direction of travel)