Committee: Healthier Communities and Older People Overview and Scrutiny Committee

Date: 17 April 2013

Agenda item: **6**

Wards:

Subject: Costs for Better Services Better Value Review

Lead member: Councillor Suzanne Evans, Chair of the Healthier Communities and Older People overview and scrutiny panel.

Forward Plan reference number:

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Recommendations:

A. That the Panel comment on the Merton Clinical Commissioning Group's contribution to the Better Services Better Value Review of health services in South West London.

B.

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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1. The attached report sets out the financial cost of the Better Services Better Value Review as well as the contribution by Merton Clinical Commissioning Group.

2 DETAILS

2.1. The *Better Services, Better Value* (BSBV) programme was established by NHS South West London in 2011. In the autumn of 2012 it extended its scope to cover Surrey Downs CCG and Epsom Hospital, following the halting of the Epsom and Ashford and St Peter's transaction. The programme is clinically led, works on behalf of the seven commissioning CCGs and brings together local stakeholders. It has developed proposals for the reconfiguration of hospital services and investment in out-of-hospital care. The attached report contains details relating to the expenditure for the next phase of the programme.

3 ALTERNATIVE OPTIONS

The Healthier Communities and Older People Overview and Scrutiny Panel can select topics for scrutiny review and for other scrutiny work as it sees fit, taking into account views and suggestions from officers, partner organisations and the public.

Cabinet is constitutionally required to receive, consider and respond to scrutiny recommendations within two months of receiving them at a meeting.

3.1. Cabinet is not, however, required to agree and implement recommendations from Overview and Scrutiny. Cabinet could agree to implement some, or none, of the recommendations made in the scrutiny review final report.

4 CONSULTATION UNDERTAKEN OR PROPOSED

4.1. The Panel will be consulted at the meeting

5 TIMETABLE

5.1. The Panel will consider important items as they arise as part of their work programme for 2013/14

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

6.1. None relating to this covering report

7 LEGAL AND STATUTORY IMPLICATIONS

7.1. None relating to this covering report. . Scrutiny work involves consideration of the legal and statutory implications of the topic being scrutinised.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

8.1. It is a fundamental aim of the scrutiny process to ensure that there is full and equal access to the democratic process through public involvement and engaging with local partners in scrutiny reviews. Furthermore, the outcomes of reviews are intended to benefit all sections of the local community.

9 CRIME AND DISORDER IMPLICATIONS

9.1. None relating to this covering report. Scrutiny work involves consideration of the crime and disorder implications of the topic being scrutinised.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1. None relating to this covering report

11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

- Report on contribution to the of costs Better Services Better Value Review

12 BACKGROUND PAPERS

12.1. Minutes of previous meetings

better services better value

NHS

Merton Health Scrutiny Panel

Report on Contribution to the costs for Better Services Better Value (BSBV) Review

17th April 2013

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1. Introduction

1.1 Background

The *Better Services, Better Value* (BSBV) programme was established by NHS South West London in 2011. In the autumn of 2012 it extended its scope to cover Surrey Downs CCG and Epsom Hospital, following the halting of the Epsom and Ashford and St Peter's transaction. The programme is clinically led, works on behalf of the seven commissioning CCGs and brings together local stakeholders. It has developed proposals for the reconfiguration of hospital services and investment in out-of-hospital care.

There has been extensive engagement with a wide range of stakeholders, including clinicians, patients and the public, local authorities, Health and Wellbeing Boards and local politicians. Since last autumn this has included work with stakeholders and members of the public in the Surrey Downs area.

This pre-consultation engagement has incorporated stakeholder events, the circulation of briefings and programme materials, presentations at borough-level and Trust meetings, typically led by the programme's clinical leaders, and a presence on both Facebook and Twitter

The BSBV programme is in the final steps of agreeing viable proposals for change and is finalising the pre-consultation business case (PCBC) and preparing for public consultation.

1.2 Case for Change

BSBV's *Case for Change* was originally published in late 2011. It provided an appraisal of the challenges facing south west London and presented an evidence-based analysis of why delivery of healthcare services to the local population will become clinically and financially unsustainable unless action is taken now. Four drivers for system-wide change were identified:

- Achieving the highest possible standards of care and meeting patients' expectations
- Meeting the rising demand for healthcare
- Responding to workforce challenges, especially the shortages of skilled health professionals
- Facing the reality of financial pressures

1.3 Vision of BSBV

The Clinical Strategy Group and the CCGs have developed a vision of care for the future.

Local people can access the right service, when and where they need it. Many services are delivered close to or in people's homes, and innovation in service delivery is encouraged. Our hospitals are centres of excellence. All care is safe, consistently of a high quality, and delivered by a suitably trained and experienced workforce. Patients are involved in their care, value their NHS and feel valued by it.

1.4 Programme Governance

BSBV is a clinically-led programme. The programme is owned and led by the seven local Clinical Commissioning Groups (CCGs): Croydon, Kingston, Merton, Richmond, Surrey Downs, Sutton and Wandsworth.

The initial decision-making body for the BSBV programme was the Joint Boards of the South West London PCTs. Following the expansion in scope of the programme in the autumn of 2012 the governance of the programme was refreshed to include Surrey Downs CCG. It also presented the opportunity to transfer the ownership of the programme to the emergent CCGs.

The seven CCGs and the NHS England will establish a committee in which the CCGs will each make their own decision on the PCBC and public consultation in parallel with the other CCGs and alongside the NHS England. Legal advice has been provided on options for constituting this committee. This committee needs to be established in order to launch consultation, planned for May, following NHS London/NHS England assurance and to make the final decision after consultation.

2. Summary of Business Case

2.1 The Proposal

The proposal seeks funding from the retained 2% strategic reserve for activities related to the *Better Services Better Value* programme in 2013/14. The funding will be held by Wandsworth Clinical Commissioning Group on behalf of south west London and Surrey Downs CCG's. The expectation is that this funding will be sought from the London office of NHS England on behalf of south west London CCG's, and from the Southern office of NHS England on behalf of Surrey Downs CCG. Where contracts are already in place with external suppliers and extend beyond March 31st 2013 it is proposed that these will be novated to Wandsworth CCG.

2.2 Description of expenditure

The following business case relates to phases 3 through to 5 of the programme, which covers activities following the development of a preferred option during phase 2b and therefore relates to the public consultation, the decision making phase and the transition phase (see **Appendix A** for a high level plan)

- **Phase1** April 2011 to September 2011 – Developing the Case for Change
- **Phase 2** October 2011 to October 2012 – Pre Consultation phase
- **Phase 2b** November 2012 to April 2013 – Re-scoping and re-working of options and pre-consultation
- **Phase 3 May 2013 to August 2013 – Public consultation**
- **Phase 4 September 2013 to December 2013 – Decision Making**
- **Phase 5 January 2014 to April 2014 – Transition**
- **Phase 6** from May 2014 – Implementation

The total cost of this business case for all contributors, including a 5% contingency, is estimated at £5.99m. These costs are comparable with or less than other comparable major reconfiguration programmes including *Shaping a Healthier Future* and *Healthcare for NE London.*

These costs can be broken down under the following main headings:

BSBV Programme Team staff costs	£ £830,105
External consultancy support	£ 2,053,717
Enabler work-streams including workforce planning, estates, travel and transport and IT	£ 150,000
Non pay costs	£ 880,644
Communication staff costs	£ 502,950
Consultation activities	£ 527.000
Media, engagement and training	£ 436,200
Hosting fees for CSU (@ 10%)	£ 110,833
Programme contingency fund related to scenario planning	£ 750,000
GRAND TOTAL	**£ 5,989,260**

In order to provide some context on the spending detailed above, the section below provides a breakdown of activities during Phases 3 to 5.

2.3 Breakdown of Activities during 2013/14

Phase 3 – Public Consultation

The National Health Service Act 2006 (previously sections 11 and sections 7-10 of the Health and Social Care Act 2001) outlines the responsibility commissioners have when considering proposals to change the way health services are provided. The act requires SHAs, PCTs and Trusts to make arrangements to ensure that patients and members of the public are consulted (either directly or through representatives) on the development and consideration of proposals to change the way services are provided.

Objectives for the BSBV consultation are:

- To ensure that the consultation is transparent and that it meets its statutory requirements through sufficient inclusiveness, breadth, and depth

- To create a significant and meaningful amount of engagement with local stakeholders, and to provide evidence of this (e.g. a high response rate, as measured against other similar programmes)

In order to deliver these objectives, the programme is planning for significant investment in the following areas:

- Communications personnel, including senior specialist advice as well as a number of interim staff who will deliver the many different activities and events required to run an effective consultation process.
- Engagement events across the seven CCG's with primary and secondary care staff and residents.
- Publicising the programme through local media, advertising, a consultation website and a large volume of printed materials for distribution.
- Commissioning Ipsos Mori as an independent organisation to support the programme by compiling a full report on the response to consultation at the end of the process.

These activities are described in full in the BSBV Consultation Plan which has been developed in accordance with best practice guidance and the advice of the Consultation Institute.

In addition to the above, the programme support team will continue to further develop plans for delivery of a preferred option in order to enable phases 4 and 5 to progress smoothly. This will involve detailed financial and activity modelling together with significant further work with local clinicians and other stakeholders to design more detailed clinical models.

Phase 4 – Decision Making

Major issues and themes emerging from the consultation will be aggregated into a response to consultation document, which will be both published and presented at a public meeting. This will be submitted to the Local Committee of the CCGs of south west London and Surrey Downs CCG's (LCCCGs) for review, alongside the post-consultation Integrated Impact Assessment (IIA), as a decision-making aid. Additional analysis and modelling work will also be completed by the relevant programme working groups to review the impact of consultation feedback on the proposed options and findings to date, including viability of the preferred option.

A Post-Consultation Business Case will then be finalised, based on these various outputs, which will be submitted to the LCCCGs for a final decision on the preferred option for reconfiguration of services. This is currently proposed to take place in January 2014. The decision will be published via the consultation website, local media, and a formal declaration distributed to the public and stakeholders; it will also be shared with the Joint Health Overview and Scrutiny Committee (JHOSC). A clear timeline for Outline Business Cases (OBC) and Full Business Cases (FBC) for capital expenditure will also be established.

The outline and full business cases will then be submitted to NHS England and the Secretary of State for Health for sign off in line with the four 'tests' for reconfiguration, namely:

- Support from GP commissioners;
- Strengthened public and patient engagement;
- Clarity on the clinical evidence base; and
- Consistency with current and prospective patient choice.

Phase 5 – Transition

Whilst the BSBV programme is committed to a thorough and transparent consultation process regarding the work completed to date and the associated options, initial planning has been commenced for the next steps following Phases 3 (Consultation) and 4 (Decision-Making). The agreed option following consultation is expected to be fully implemented by 2017/18, including new models of out of hospital care which are a necessary precursor to the associated reconfiguration of hospital services. This is an ambitious timescale that will require co-ordinated implementation across the entire health system over the coming period, in the context of significant structural change. The CCGs have established an Out of Hospital Programme Board to oversee the delivery of out of hospital care which, in the case of Merton CCG, is supported by the Integrated Merton Project.

BSBV has been a clinically led programme since its inception but with the change to the commissioning landscape from April 2013 CCG leadership of the BSBV programme will become more explicit and in recognition of this the programme is in the process of adapting its governance structure to suit the requirements of Phases 3, 4 and beyond. It is anticipated that this will evolve further to include an Implementation Board (IB) with representation from across the relevant provider organisations to drive co-ordinated delivery once the preferred option for reconfiguration is agreed, reinforcing the provider representation already present on the current Programme Board. Much of the implementation process should be driven by business as usual within local commissioning arrangements. The IB will require each provider to nominate an Implementation lead to oversee their local, detailed implementation plan and report back to the IB regarding progress, risks and issues and impact on interdependencies. Similarly this group will drive alignment of CCG-led out of hospital initiatives with acute reconfiguration and service changes, double running of relevant services and managed decommissioning to minimise any risk relating to continuity of care and quality of service.

During the transition phase, the communications team will be significantly smaller resulting in a reduction in overall programme costs. However, in order to facilitate a smooth transition, there will be a continuing need for detailed finance and activity modelling, with a final completion date of 2017/18.

This is a time limited programme so the expenditure required is non-recurrent.

3. Funding from Merton CCG

The arrangement whereby Wandsworth CCG hosts the BSBV Programme and budget will be subject to a partnership/collaborative agreement with the six other CCG's. It is proposed that the 7x CCGS contribute to the programme on a per capita basis, as shown in the table below. A contribution is also being sought from NHS England in recognition of their role in commissioning specialised services which will be positively impacted through the implementation of the programme. Any under-spend or over-spend or potential financial liabilities incurred in the event of programme cancellation (including staff redundancies and cancellation charges for external suppliers) would be dealt with on the same basis. It is proposed that this sum is managed as a single 'pot' notwithstanding that there may be differential costs associated with delivering the programme's activities in different CCGs.

As host commissioner, the Wandsworth CCG Finance Committee will oversee the programme budget and will do this by receiving regular financial reports presented by the SRO of the BSBV Programme in line with the SFI's of Wandsworth CCG. Regular internal audit will be undertaken for assurance purposes.

Merton CCG agreed to contribute towards the BSBV Business Case at the Board Meeting (Part II) held on 24th January 2013. At a meeting of the south west London CCG Chairs on the 31st January, the CCG's agreed to fund the programme in principle, and are currently in the process of agreeing the respective contributions of each CCG and from NHS England. It is anticipated that each CCG will contribute pro rata to its population size. This is a matter for CCGs to resolve rather than the BSBV programme.

INCOME FUNDING STREAMS FOR 2013/14: **Funding Stream allocations**	**Population***	**%**	**BSBV funding**
Croydon	380,500	TBA	TBA
Kingston	190,400	TBA	TBA
Merton	208,900	TBA	TBA
Richmond	194,900	TBA	TBA
Surrey Downs	290,300	TBA	TBA
Sutton	182,100	TBA	TBA
Wandsworth	364,100	TBA	TBA
NHS England	£1.8m	TBA	TBA
Total		**100%**	**£5,989,260**

*Population based on ONS 2011 Census

Appendix A – Project Plan - Timescales