NHS
Commissioning Board
A special health authority

Commissioning Support Key Facts

For NHS and local authority audiences

1. A new NHS commissioning system is being set up to empower clinicians to lead the commissioning of high quality, efficient healthcare services and to give patients more power and choice.

2. Commissioning will be clinically led – by doctors, nurses and other health professionals in clinical commissioning groups (CCGs) – and supported by managers. Clinicians are uniquely qualified to lead the commissioning of high quality healthcare for patients.

3. This change gives the NHS the opportunity to think about what management support clinical commissioners need to more efficiently deliver better outcomes for patients. For some management support activities, CCGs will need to appoint their own internal staff while for others they will have a choice of using new commissioning support services (CSS) – hosted by the NHS Commissioning Board – or other sources of commissioning support.

4. Local and national CSS are being designed to offer an efficient, locally-sensitive and customer-focused service to CCGs. CCGs are likely to need support in carrying out both the transformational commissioning functions, like leading change and service redesign, and the more transactional commissioning functions, such as procurement, contract negotiation and monitoring, information analysis, and risk stratification. CCGs will always retain legal accountability and responsibility for meeting their statutory functions and their commissioning decisions cannot be delegated.

5. Nationally, work is progressing on the development of several offers where there is evidence of benefit from working at greater scale in terms of specialism and value for money. A single, nationwide NHS communications and engagement service is proposed along with a range of emerging models for business intelligence, clinical procurement and business support services (such as HR, payroll, procurement of goods and services and some aspects of informatics) where national standards will be set and elements will be delivered at national, sub-national or local CSS level as appropriate.

6. Early indications suggest there will be around 20-25 local CSS hosted by the NHS Commissioning Board in the first instance. Some CSS are already up and running and supporting the 2012-13 NHS business planning round.

7. The new CSS will be designed to be effective in a competitive marketplace and will be set up to give CCGs access to the best possible processes, services and products to enable efficient and evidence-based commissioning. CSS leaders will be responsible for developing these new organisations to be confident, customer-driven organisations that are capable of being independently sustainable within the competitive marketplace in no later than three years.

Leadership

CSS leadership teams will be a critical factor in the success of the new clinical commissioning system. The new leaders will lead the drive towards establishing the new outcome- and customer-focused approach. CSS leadership teams will need to develop attractive organisations capable of winning and retaining CCG business and of retaining the many highly skilled specialist staff who currently provide commissioning support functions in PCTs. Leadership recruitment will begin in early 2012.

Choice of commissioning support

Choice is being introduced into commissioning support services to ensure that these management support services become more innovative and provide greater value for money to the NHS. Services need to be responsive to CCGs and truly support them in achieving their improvements to local outcomes. CCGs will be free to use their running costs to seek support from whoever they wish, as set out in the White Paper and in the final version of *'Towards Service Excellence'*.

In practice, it is likely that the vast majority of commissioning support will come from the local PCT cluster/emerging CSS during 2012-13, while the NHS makes the transition and while statutory responsibilities are changing. However, where CCGs feel they can get a better service from an emerging NHS offer elsewhere, the NHS CBA will be working closely with SHA clusters and with CCGs on a case by case basis so that the HR and other operational and financial implications can be handled appropriately.

'Towards Service Excellence' also indicates that CCGs will be able to call on specific products or services from the independent or voluntary sector and, during 2012/13, PCT clusters will be able to procure these products or services on behalf of prospective CCGs, with a view to transferring the contract once the CCG becomes a statutory body in April 2013.

SHA clusters have been asked to aggregate where CCGs wish to call on support from other sectors so that the sourcing of these providers can be undertaken across the most appropriate scale.

Once they are established, CCGs will be public bodies and will be required to procure their commissioning support in the open market in line with the EU rules that govern the public sector. CSS will be able to develop partnerships with other organisations from other sectors so that they can develop greater capability to support CCGs in bringing about real improvements for patients.

Future options

Between 2013-2016, the NHS Commissioning Board will temporarily host all NHS CSS. It will use this time to work with CSS to further develop them as customer-focused, efficient and confident organisations capable of being independently sustainable within the competitive marketplace.

This is about finding the most efficient and cost-effective way of providing excellent commissioning support activities to CCGs to maximise the investment that CCGs can make in frontline healthcare services. There will be discussions with potential suppliers from all sectors to explore and assess innovative models of commissioning support such as joint ventures, partnerships and social enterprise schemes.

Timeline

There is a clear timetable for the establishment process:

- Service level agreements signed between CCGs and CSS by March 2012
- CSS to produce an outline business plan by March 2012 and full business plan by September 2012
- Identification of CSS leaders by the NHS Commissioning Board Authority (NHS CBA) by July 2012
- An assurance process to be completed by the NHS CBA by September 2012, to test emerging NHS commissioning support prior to NHS Commissioning Board or CCG hosting
- Final hosting decisions by the NHS CBA by October 2012
- Transfer of NHS staff from PCTs to CSS from October 2012 onwards
- Final service level agreements between CCGs and CSS by March 2013.

Progress to date

Draft guidance – *Towards Service Excellence* – was shared in November 2011 and a final version was published by the NHS CBA Board in early February 2012.

The evidence of the appropriate scale for carrying out commissioning support functions has been reviewed so it is clear where it is possible to enable efficiencies and maximise access to scarce expertise. Various products have been shared including:

- Service specifications to enable CCGs to understand the breadth of commissioning support and to articulate and specify their needs and requirements
- Model scenarios for 'do/buy/share' options, internally-retained functions and national scale operations
- A ready reckoner to enable CCGs to work out their budget for external commissioning support.

<u>Business Development Unit</u>
A Business Development Unit (BDU) will operate as part of the NHS CBA from early 2012 to support and guide CSS to sustainable operating models. The BDU will comprise a small core team of individuals with NHS and commercial backgrounds providing the BDU's strategic capability. They will be supported by additional external operational capacity and capability, expert skills and commercial expertise.

<u>Assurance</u>
The BDU will provide assurance at Checkpoints 2 and 3 to both CCGs and the NHS CBA that the models of commissioning support are financially robust and that potential commissioning and financial risks are manageable.

Checkpoint 1 – January 2012:
This was a peer review process where SHAs assessed the prospectus and the preparedness of CSS to be responsive to CCGs' needs and develop an operating arrangement as a support service. CSSs were asked to develop a 'prospectus' to describe the 'offer' to CCGs. These early prospectuses will develop over time as CCGs develop a clearer view of the needs and expectations from commissioning support. Later versions will show more clearly the range of services, operating models and costs of services.

SHA clusters led the process locally, ensuring that relevant stakeholders – including CCGs and local authorities – were involved in reviewing the emerging CSSs.

Feedback from checkpoint one shows that there has been real and tangible progress with many CSSs developing effective business relationships with their customers but also working together to explore collaborative models that maximise value for money and enable CCGs to get the most from their running costs. It has also highlighted the development needs that CSSs will need to focus on over the next few months as they further refine their offers.

Checkpoint 2 – March 2012:
This will focus on readiness to migrate to a hosted CSS capable of operating effectively and efficiently. At this stage, CSS will be expected to provide an outline business plan that builds on the prospectus and begins to set out the detailed business model and options for the future.

Checkpoint 3 – August 2012:
This will comprehensively test the full business plan, strategy and overall feasibility of the service in order to support the decision by the NHS CBA as to whether the CSS has met the necessary criteria ahead of the hosting decision.

Development and transformation
A learning network has been set up to bring together emerging CSS to support their development, test different models and share learning. The BDU will also work with SHA clusters to identify and fill gaps in CSS leadership and support CSS leaders in their work to transform commissioning support services into something markedly different to the PCT model, to provide the choice commissioners need and to drive responsiveness, redesign and enhanced commissioning outcomes.

Informed customers

The commissioning support system will not succeed unless CCGs are able to act as informed customers who understand what they want, know how to procure it, and understand how to manage their support activities. There is a programme of events in March to support CCGs in developing as informed customers, covering service specifications, procurement processes and rules, and contract management and service level agreements.

Working with local government

The development of a joint health and wellbeing strategy at the local level through Health and Wellbeing Boards is an opportunity to agree the commissioning decisions across the NHS/local authority interface.

In putting new commissioning support arrangements in place, the NHS will need to strengthen this joint working, and not dilute it. It will be important for CCGs to work closely with local authorities to consider how to develop the best and most effective commissioning support arrangements.

The NHS has agreed a joint statement with local government colleagues that reinforces the need for collaboration and integrated commissioning, and describes the way in which CCGs, local authorities, PCT clusters/emerging CSS should work together to develop the most effective and efficient commissioning support models.

Existing PCT staff

There are many highly skilled and experienced staff in commissioning support roles in PCTs. It is very important that this expertise is retained for the benefit of CCGs. In some cases these are specialist and high technical skills which are not readily available in the independent or other sectors, and will not be easily replaced. Groups of PCT staff will be assigned to CSS during 2012-13 according to their current job role, and will be responsible for developing the CSS into successful businesses; and HR processes are being developed to enable recruitment into CSS. The numbers of commissioning support staff will largely depend on how CCGs decide to operate and the extent to which they carry out activities in-house or share or buy-in support services.