NHS
*Oxfordshire*
*Clinical Commissioning Group*

**Oxfordshire Clinical Commissioning Group**
**Governing Body**

| | |
|---|---|
| **Date of Meeting:** 30 July 2015 | **Paper No: 15/68** |

**Title of Presentation:** Applying Commissioning Levers

| | | | | | | |
|---|---|---|---|---|---|---|
| **Is this paper for** (delete as appropriate) | **Discussion** | | **Decision** | ✓ | **Information** | |

**Purpose and Executive Summary (if paper longer than 3 pages):**

This paper builds on the Governing Body Workshop discussion on the development of our use of commissioning levers. This is part of our organisational development to ensure we are increasing our effectiveness as a commissioner. It highlights the work currently in hand and highlights some other areas to develop.

This approach will be shared and discussed with our providers following approval by the Governing Body.

**Financial Implications of Paper:**

No direct financial implications.

**Action Required:**

- Note action in hand.
- Highlight if there are areas that are missing and propose other actions to address these.
- Discuss and agree whether the following should be pursued:
  - Approach to working with lead Councillors
  - Systematic approach to use of benchmarking and comparators
  - Development of overall framework for approach to the market

| **NHS Outcomes Framework Domains Supported** (please delete tick as appropriate) | |
|---|---|
| ✓ | Preventing People from Dying Prematurely |
| ✓ | Enhancing Quality of Life for People with Long Term Conditions |
| ✓ | Helping People to Recover from Episodes of Ill Health or Following Injury |
| ✓ | Ensuring that People have a Positive Experience of Care |

| | |
|---|---|
| ✓ | Treating and Caring for People in a Safe Environment and Protecting them from Avoidable harm |

| **Equality Analysis completed** *(please delete tick and attach as appropriate)* | Yes | No | Not applicable ✓ |
|---|---|---|---|
| **Outcome of Equality Analysis** | | | |

| | |
|---|---|
| **Author:** Diane Hedges, Director of Delivery and Localities and Catherine Mountford, Director of Governance | **Clinical Lead:** Dr Barbara Batty, Dr David Chapman and Dr Paul Park |

# Applying Commissioning Levers

## 1. Introduction

At its workshop session on 14 April 2015 the Governing Body considered the organisation's approach to the job of "commissioning" which includes the effective holding to account of providers and partners. This was undertaken by identifying the "levers" available to the CCG and then by considering what more we could do to use them effectively.

The write up of the discussions is included as Appendix 1.

The context of the discussion and the action we need to take is to enable us to deliver. This paper highlights much work that is already in hand and highlights some areas where more clarity is required. There are levers that could be considered more positive/supportive (working together, shared and mutual understanding of the information) and those that are more negative/punitive. It is proposed that our approach should be to start with the positive levers with clarity about how we would progress, in line with our agreed escalation policy if these did not work. Our escalation policy has agreed actions and indicates when formal contract levers/sanctions should be applied.

## 2. Action in hand

2.1 Whole System leadership

- Oliver Wyman commissioned to support work on developing overarching Oxfordshire vision and high level plan. This will be completed by end July.
- Developing Board to Board events to enhance system working

2.3 Reputation

- Additional health performance indicators (A&E and RTT) have been included in the Health and Well Being Strategy so will be reported to and discussed at the Health and Well Being Board.
- Main performance issues reported in the public domain (Governing Body)
- Regulators
    - We have agreement with Trust Development Authority and NHSE that the CCG is the one who agrees targets with the Trust (no back room deals).
    - Referral to the regulator for persistent underperformance
- Develop working with Councillors
    - Make Joint Management Groups more effective

- Systemise and clarify regular relationships with Health Overview and Scrutiny Committee Chair, Health and Well Being Board, Portfolio leads. This needs to involve a larger number of CCG Clinical Leads and Governing Board members than it currently does.

2.4 Contracting

- OUH contract for 2015/16 includes incentive/penalty of £1m for delivery of constitution standards (A&E, RTT and Cancer)
- Some current projects (eg community nursing) are developing clearer specifications linked to resource requirements
- The contracts for Mental Health Outcomes Based Contract, Improving Access for Psychological Therapies, Childs and Adolescent Mental Health Services and community nursing are all linked to transformation.
- Further work is required to develop work on understanding cost and outcomes with a more systematic approach to use of comparators and benchmarking. Who is the CCG lead for taking this forward and what is the plan?
- A refreshed contract management framework has been agreed. Systematic use of this will ensure consistency of approach and clear escalation.
- OHFT have agreed to present their Deloitte Report to the Chief Executive of the CCG; date to be agreed.
- Better analytical support and joint understanding
    - The CCG Head of Business Intelligence and the CSU are working jointly with the OUH to determine underlying causes of breaches.
    - Oxfordshire is one of national pilots for capacity and demand work

2.5 Competition

- Recent approach has focused on joint working with current incumbents. Is this the way we wish to continue or do we need to determine an overall framework for our approach to the market?

2.6 Other networks

- Use Board to Board events to understand provider perspective on benefits to Oxfordshire patients and system of links to universities.
- Links being built with Nene CCG and Buckinghamshire CCGs.
- Need to ensure right representation at Thames Valley and wider Specialised Commissioning meetings.

2.7 Other

- The 2015/16 savings plan (Quality, Improvement, Productivity and Prevention, QIPP) has been reshaped to reflect the delivery of savings through contracts.
- Chief Executive to become member of Growth Board (joint committee between Local Authorities).

## 3. Action

The Governing Body is asked to consider the above and

- Note action in hand.
- Highlight if there are areas that are missing and propose other actions to address these.
- Discuss and agree whether the following should be pursued:
    - Development of our approach to working with lead Councillors
    - Systematic approach to use of benchmarking and comparators
    - Development of overall framework for approach to the market

**Appendix 1 – Write up from Governing Body Workshop held on 14 April 2015**
**Are we using our commissioning expertise to deliver the best value for our population?**

*Are we commissioning at all or are we contracting on provider terms?*

**Levers available to CCG**

- Whole system leadership/working
    - Shared vision/persuasive narrative
    - Making delivery easier – "win-win"
    - One shared source of the truth/shared diagnosis of problems/decent business intelligence
    - Performance successes
    - Relationships
    - Consequences of not participating
- System and Organisational reputation
    - Patients/public
    - Politicians (national and local)
    - Regulators
    - Others; eg Department of Health, NHS England
- Contracts
    - Funding
    - Incentives
    - Sanctions/Penalties
- Competition/partnership with providers
    - Preferred provider for new opportunities
    - Procurement
    - Other providers
    - Decommissioning services
    - Enabling patients to exercise Choice
- Other networks
    - Academic Health Science Network (AHSN)
    - Collaboration for Leadership in Applied Health Research and Care (CLAHRC)
    - Strategic Clinical Networks (SCN)
    - Other CCGs
- Other
    - GP Membership
    - Local Economic Partnership (LEP)

**What can we do to use levers more effectively?**

Whole System Leadership

- Memorandum of understanding- learn from Greater Manchester
- Clear shared vision and agreed priorities and timetable – set expectations
- Understand how we will respond when we don't get agreement.
- Innovative approaches to joint working –
- Transparency
    - Single information resource:
    - Common and agreed reporting

Reputation

- Move from closed world and open the debate through
    - More health discussions at Health and Wellbeing Board e.g. discussions about operational performance at OUHT.
    - More use of patient stories (and from patients)
- More use of positive (and simple) stories. Positive branding in Leeds.
- Develop relationships with councillors (County and Districts)
- Think about how we approach our relationship with regulators (our troubled reputation could be used to our advantage)

Contracting

- Improving specification; being clearer about resource requirements
- Being more challenging if providers provide the outcomes in an inefficient or ineffective way
- Contract linked to transformation
- Approach to monitoring and management/use of Levers
- More use of penalties especially on the community side (penalties for never events). Why don't we use the penalty clause in contracts?
- Break contract into manageable transformational areas
- Insist on transparency eg cost structure, core and non-core services
- Better analytical support and move to shared diagnosis of what are the causes of problems
- Service design
    - Improve specifications of services and pathway
    - Revisit value of aspects of service (eg 8-8)
    - Reshape the commissioning of eg out of hours nursing

Competition

- Different approach towards contract management – different “chunks” – eg elective care “chambers”
- Be more radical, be prepared to put out to tender
- Don’t lose opportunity to use the funding set aside in 2015/16 for transformation well

Other networks

- Develop relationship with the universities – possible use of research and expertise.
- Being seen to be involved in AHSN. Otherwise we look uninterested.
- Relationship with other CCGs:
    - Nene (shared interest in Horton),
    - Aylesbury Vale and Chiltern (OUHT and OH mental services
    - Develop connections on specialised commissioning
    - Need better networks and information exchange.

Other issues

- Rebuild our credibility as a CCG. Deliver savings targets.
- Proactive shared celebration of successes at things that matter to partners, eg academic conferences
- Get into space of knowledge management/economic development