Birmingham and Solihull CCGs: transition update

Health and Wellbeing Board

Pre-consultation engagement briefing

Introduction

The NHS commissioning partners in the Birmingham and Solihull Sustainability and Transformation Partnership (STP) are:

- NHS Birmingham CrossCity Clinical Commissioning Group (CCG);
- NHS Birmingham South Central CCG; and
- NHS Solihull CCG.

During this presentation, we will outline the alternatives for future arrangements of the Birmingham and Solihull NHS commissioning organisations.

We request your input and involvement throughout the process.

Purpose

- To discuss our proposal for progressing STP objectives, in particular objective one: *Creating efficient organisations and infrastructures;*

- To share the timeline;

- To test and refine our thinking on the possible alternatives, particularly the alternative we prefer at this stage;

- To engage, in an open and transparent way.;

- To recognise the need for formal governance around the process and robust decision making; and

- To ensure the Health and Wellbeing Board is consistently and meaningfully contributing to the process; with this insight being used to influence our decisions on which proposals to put to the public.

Birmingham and Solihull STP

The Sustainability and Transformation Plan (STP) is about local leaders working together to deliver better health and care for local people. The NHS and social care are addressing significant financial challenges and increased demand, so both need to work together to make resources go further whilst ensuring that we can still deliver the quality of care people need.

The Birmingham and Solihull (BSol) CCGs leaders have been working together to think about how this issue is tackled.

The STP is an iterative process, and this is the start of a longer transformation journey. It's not a short term plan - this is for long-term, sustainable change over 5 years and beyond.

The three overarching objectives for the Birmingham and Solihull STP are:

- *Creating efficient organisations and infrastructures;*
- *Transformed primary, social and community care; and*
- *Fit for future secondary and tertiary care.*

The case for change

A strong strategic commissioner

- Working at scale in big partnerships - NHS commissioning will be stronger, more efficient, more consistent and more credible. We will be able to partner more closely with the LA in order to achieve our shared goals.
- Working at scale - gives the best opportunity to improve experience and health outcomes for local people, reduce unacceptable health inequalities, improve provider performance and reduce complexity.
- Recent mergers/planned mergers in hospital and primary care providers means a need for a strong NHS commissioner to balance the system.
- More efficient working means we can make best use of the £1.7bn we have to spend on healthcare for 1.2m people in Birmingham and Solihull.

The case for change

A move toward accountable care systems

- A single commissioning organisation would provide consistent view across both Birmingham and Solihull regarding the principles and development of new models of care.
- The CCGs would become a single strategic, stronger commissioner, speaking with one voice, in line with the development of accountable care systems.
- In the case of the NHS, ACOs and ACSs compromise three elements:
  - First, they involve a provider or, more usually, an alliance of providers that collaborate to meet the needs of a defined population.
  - Second, these providers take responsibility for a budget allocated by a commissioner or alliance of commissioners to deliver a range of services to that population.
  - And third, ACOs work under a contract that specifies the outcomes and other objectives they are required to achieve within the given budget, often extending over a number of years.

Background

June 2016:

The BSol CCGs decided to work towards aligning strategy and commissioning functions to deliver the STP outcomes.

September 2016:

CCGs considered a range of alternatives and decided to form a joint commissioning committee, the Birmingham and Solihull Health Commissioning Board (HCB).

Summer 2017:

The joint commissioning committee is creating a single staff team to support its functions.

The CCGs are further considering the alternatives for the future and begin a period of engagement and plan for public consultation of the options.

The alternatives

Currently, the CCGs operate a joint health commissioning board.

Alternative 1: Return to three separate CCGs/historic arrangements;

Alternative 2: Form a federation; continue with three separate CCGs, but establish shared management team, governance and decision making;

Alternative 3: A single CCG for Birmingham and a single CCG for Solihull, establish joint working arrangements with Solihull CCG with single management teams, joint processes and committees; and

Alternative 4: Full functional organisational merger – one single Birmingham and Solihull commissioning approach and management team.

On balance, we prefer Alternative 4 at this stage.

Key issues/considerations so far

During pre-consultation engagement, stakeholders have raised issues which we are noting and addressing. The following two are prominent and recurrent:

Finance
Birmingham CrossCity and Birmingham South Central both have cumulative surpluses of combined of £36.2million as at 31 March 2018 (assuming delivery of current plans). Solihull CCG has a cumulative deficit rising to £8.3million by 31 March 2018 (assuming delivery of current plans).

West Birmingham
Part of Birmingham is not covered by the Birmingham and Solihull STP. Responsibility for commissioning NHS services for the people of West Birmingham lies with Sandwell and West Birmingham CCG and the Black Country STP.

Retaining localism

Ensuring that Solihull ‘place’ is not lost in the bigger picture.

Stakeholder criteria to benchmark our alternatives against

- Overall improved health and better outcomes for patients;
- A more sustainable local NHS; both financially and able to support new ways of delivering care e.g. accountable care systems;
- Better integration with the local authorities, especially for social care and preventing poor health outcomes;
- Consistency for patients across Birmingham and Solihull;
- Ensuring that all patients can access the same high quality service, regardless of where they live in the area;
- A strong and strategic NHS commissioning voice to match that of the provider organisations and local authority;
- A larger and stronger pool of clinical expertise; and
- Maximising on the existing partnerships the three CCGs currently have.

Alternatives 1

Return to three separate CCGs/historic arrangements.

- The first possibility is to return to three separate organisations, which we feel would be a move backwards, undoing the progress made on partnership working.
- Returning to three organisations, although the structures are familiar to stakeholders, does not address the issues that have been identified:
  - There would be three commissioning voices with three sets of commissioning priorities, and three sets of relationships for providers and stakeholders.
  - Perpetuates the Birmingham city council VS Birmingham NHS boundary non-alignment issue
  - No economies of scale

Alternative 2

Form a federation; continue with three separate CCGs, but establish shared management team, governance and decision making.

- The second possibility , to federate, has slightly more advantages than alternative one. The CCGs could benefit from more of a collective voice and it would allow alignment with the Birmingham and Solihull boundary.
- It may also be possible to retain the setting of locally focussed objectives, incorporate shared governance standards and there may be little disruption for staff.
- However, it could create limitations to the extent of planning, as any of the CCGs could withdraw from the arrangements at any time.
- There would also be unrealised potential economies of scale, no address of the West Birmingham issue, and the financial challenge would not be fully addressed.

Alternative 3

A single CCG for Birmingham and a single CCG for Solihull (establish joint working arrangements with Solihull CCG with single management teams, joint processes and committees).

- The third possibility to create a CCG for Solihull and a CCG for Birmingham, offers further advantages than 1 and 2.
- This would partially addressees the co-terminosity issue, but not West Birmingham, and aligns to existing local authority, scrutiny and health & wellbeing board arrangements, and of course the Birmingham and Solihull partnership.
- This could be a good building block for future models of commissioning, however the resources and attention required to make formal application process for legal change to governance structure would be the same as a BSol CCG, with less of the advantages.
- There may be a risk that Solihull becomes a junior partner, in a world where large provider organisations have much power.

Alternative 4 *(our preference)*

Full functional organisational merger – one single Birmingham and Solihull commissioning approach and management team.

- This is our preference, as we feel it offers the most advantages of the four possibilities. It will be permanent and stable; allowing for consistent planning and approach to commissioning. The CCG would have one strong and strategic NHS commissioning voice to match that of the provider organisations and local authority;
- It would support the longer transformation journey. It's not a short term option, it's for the long-term, sustainable change for the BSol health system five years and beyond.
- It will match the Birmingham and Solihull boundary, and can provide potential efficiencies and the economies of scale are fully realised.
- Whilst the resources and attention required in the upcoming year may be more, the long term sustained benefits will support our healthcare system for the future.

Summary

The risks we have identified of all four alternatives are:

- Potential to lose some clinical leadership
- Potential to lose some staff talent
- Boundary issue of West Birmingham not resolved

In our assessment:

- **Alternative 1** offers significant disadvantages to our current arrangements.
- **Alternative 2** offers no significant advantage over our current arrangements.
- **Alternative 3** offers some advantages over our current arrangements.
- **Alternative 4** offers significant advantages over our current arrangements.

Involving stakeholders

Our phased approach to involving stakeholders observes good engagement practice, general election purdah, and democratic expectation for a public consultation on significant changes:

- **Phase one – May/June 2017:** Engage strategic stakeholders
- **Phase two – June 2017:** Engage wider stakeholders
- **Phase three – 10 July - 18 August 2017:** Formal consultation
- **Phase four – August/September 2017:** Consultation data analysis and reporting. Scrutiny by NHS England and decision on whether to authorise proceeding with preferred option.