

**NHS COMMISSIONING BOARD AUTHORITY**

**Title:** COMMISSIONING SUPPORT

**Clearance:** Barbara Hakin, National Managing Director of Commissioning Development

**Purpose of Paper:**

- To update the board on progress over the last year;
- To signal our intent to publish the final version of *Developing Commissioning Support – Towards Service Excellence*; and
- To set out the next steps and critical timeline going forward.

**Actions Required by Board Members:**

- To note and agree the key next steps for the assessment and development of commissioning support through the Business Development Unit.
- To approve publication of the final version of *Developing Commissioning Support - Towards Service Excellence*.
- To note that further updates will be shared with the Board at key points throughout the commissioning support programme and business review process.

## COMMISSIONING SUPPORT

### Context

1. *Equity and Excellence: Liberating the NHS* said that clinical commissioning groups (CCGs) will have the freedom to decide which commissioning activities they do themselves, share with other groups or buy in from external organisations. The assistance that they buy in can be described as **commissioning support** and will help them to carry out key activities such as information analysis, procurement, negotiating and managing contracts and back office support for HR and IT.

### Progress over the last year

2. Making the transition from where we are now to the future vision is complex for a number of reasons:
  - To achieve the overall ambition for CCGs, commissioning and commissioning support need to be better and more efficient than previous models. This will only be achieved by doing things differently.
  - The combination of CCGs as emerging customers and the need for PCT cluster staff to form into commercially viable supply organisations in an emerging market creates a real challenge for managing the transition whilst at the same time shaping the development of future commissioning support models.
  - There is a need to avoid losing NHS expertise and knowledge and to minimise the risk and cost of redundancies, at the same time as the new model needs to be developed to stimulate innovations and bring in new ideas and solutions.
  - The constraints of the running costs allowance demands efficiencies. CCGs will spend running costs in ways that support different operating models. Commissioning support will need to operate to provide sharp, efficient and innovative services.
3. The draft guidance, *Developing Commissioning Support Towards Service Excellence*, set out the issues, described work to date, and the proposals for navigating a way through the transition. Discussions with stakeholders confirm that commissioning support is one of the most fundamental and challenging parts of the reforms, particularly the need for CCGs to design their operating models first before there is clarity about the requirements for commissioning support.
4. The key messages in the document are:
  - The ambition is to develop commissioning support as a vibrant and innovative service sector, providing customer focused support and choice to CCGs and

the NHS Commissioning Board (NHS CB) and will attract and retain talented staff.

- CCGs will be able to choose their commissioning from wherever they like as soon as practicably possible, and be supported through authorisation to undertake their functions through shadow SLA arrangements with NHS Commissioning Support Services (CSSs).
  - The NHS CB will temporarily host services that are developed from PCT clusters until they move to a freestanding status, no later than 2016. This will allow CCGs and CSSs to develop and takes account of the difficulties of developing stable and mature models during the transition. This will represent both a significant financial risk and a key lever for improvement for the NHS CB.
  - There are a small number of critical commissioning support functions (business intelligence, major clinical procurement, communications and back office) which the evidence argues should be developed over a very large geography to maximise economies of scale and increase access to scarce expertise. These functions will be co-ordinated nationally.
  - A Business Development Unit is being established to support and develop emerging CSSs, assess and assure them, and provide confidence to both CCGs and the NHS CB around future viability.
5. Feedback on the draft document has generally been positive. CCGs, PCT clusters and other sectors have welcomed the direction of travel, the messages around choice and flexibility and opportunities for partnership working. However, there have also been concerns specifically about the commercial approach to development, uncertainty about the requirements for procurement and some concerns from local authorities about the potential impact of the proposals for local joint commissioning arrangements, and a desire to see greater involvement of local authorities in the development of commissioning support.
6. This feedback has been taken into account in revising the document. The key changes are described below. We have:
- Reframed the language to be clearer that this is not about commercialisation, with the caveat that NHS CSSs still need to be competitive and the end-point is still for them to move to freestanding status before 2016.
  - Explained that, in the view of the complexities and the need to retain NHS talent and knowledge, we have secured up to an additional three years continued NHS hosting to give NHS staff time to develop effective and efficient services that will be sustainable in the long term.
  - Reaffirmed that CCGs will be able to choose their local NHS commissioning support services up to and beyond April 2013, but that during the transition, these decisions will need to be made carefully and sensitively between CCGs,

SHA and PCT clusters so that HR and other operational implications can be managed appropriately.

- Emphasised that an alternative to NHS CB hosted support is CCG 'shared services', but that if this effectively becomes hosting, it will be subject to similar commissioning support assurance tests through the CCG authorisation process.
- Clarified that CCGs will be able to procure certain specific products (eg, from the independent sector) through PCT clusters prior to April 2013, but that once established, CCGs as statutory public bodies will need to use the proper procurement processes where there is any change to these contracts and that, if the changes involve significant value, the process will take several months.
- Emphasised the commitment to joint commissioning with Local Authorities and clarified that commissioning support is about the processes which will help all those involved. We have emphasised that commissioning support helps to create the environment for best decision making, but does not influence the joint decision making process between CCGs and LAs. It also recognises LAs as a potential partner in – and provider of – commissioning support and the benefits they may also derive from purchasing scale commissioning support services.
- Clarified that the national scale offerings are an integral part of the whole NHS CSS infrastructure with local CSSs representing the customer interface for these services, whilst the national models provide 'business to business' services.

### **Next steps and critical timeline**

7. We are currently establishing a Business Development Unit (BDU) to drive the overall transformation of NHS commissioning support and 'assure' the quality and calibre of emerging services. Working with the SHA clusters, the BDU will oversee and co-ordinate the bottom up development of commissioning support and ensure the requirements of prospective CCGs are met and that they are supported through authorisation and beyond as they assume their statutory duties.
8. The key points of the timeline include:
  - working with SHA and PCT clusters to identify gaps in leadership and the development of a leadership assessment centre to enable all NHS CSS leaders to be in place by **April 2012**;
  - all NHS CSSs to have worked with CCGs to develop an Outline Business Plan that begins to describe structure, products, services and costs by **March 2012**;

- shadow SLA arrangements to be in place between CCGs and their choice of NHS CSS from **April 2012**;
- full Business Plans from NHS CSSs by **August 2012**;
- assessment of Final Business Plans complete by **September 2012** with final decisions about whether NHS CSSs are fit to progress to hosted option by end of **October 2012**;
- transfer of NHS staff to their hosted destination from **October 2012** onwards, and
- final service level agreements in place between CCGs and NHS CSSs by **March 2013**.

**The Board is asked to:**

- Note and agree the key next steps for the assessment and development of commissioning support through the Business Development Unit.
- Approve publication of the final version of *Developing Commissioning Support - Towards Service Excellence*.
- Note that further updates will be shared with the Board at key points throughout the commissioning support programme and business review process.

Dame Barbara Hakin  
National Managing Director for Commissioning Development  
January 2012