ADULT SOCIAL CARE PARTNERSHIP BOARD 29 JULY 2008

WORLD CLASS COMMISSIONING

Report by the PCT Assistant Director of Commissioning and Reform

1. Introduction

The purpose of this report is to update partners on the World Class Commissioning (WCC) programme recently launched by the Department of Health (DoH). The report will aim to raise awareness and set out the approach by the executive team in south of Tyne and Wear (SOTW).

2. Vision

2.1 Outcomes from the Fitness for Purpose exercise highlighted the need to improve the commissioning capabilities of PCTs. This was also supported by the outcomes of the Prime Minister's Delivery Unit report on Commissioning published in May 2007. The report made a number of recommendations, in particular that a more compelling narrative was needed about the future of commissioning along with strong clinical leadership and a programme of support for PCTs as well as the need for PCT Boards to primarily focus on commissioning. The DoH equally recognised that its systems do not focus on commissioning. For example the annual health check by the Healthcare Commission has a 20% focus on commissioning. As a result the DoH realised a new management cycle was needed, including a new Operating Framework, improved planning and a robust performance management and assurance system.

2.2 The new management cycle will require three PCT plans:

- 5 year Strategic Plan (updated annually): translates insights into priorities and establishes direction and sets priorities
- Annual Operating plan (profiled by month): translates priorities into action and establishes actions for the next 12-18 months.
- 3 year Organisational Development Plan (updated annually): key organisational capabilities needed to deliver on strategy and operations.

2.3 These plans are due by the end of October 2008. In 2008/09, progress will be measured against our existing Annual Operating Plan (AOP), with the development of a further AOP required for 2009/10.

2.4 The DoH has set out an ambitious vision for Commissioning which describes what is needed to become World Class. This is outlined below:

"World Class Commissioning is not an end in itself, so in order to prove themselves successful, Commissioners will need to demonstrate better outcomes, ***adding life to years and years to life"***

2.5 The Outcomes to be achieved are:

- Better health and well-being e.g. living longer
- Better Care for all e.g. more personable care
- Better value for all e.g. informed investment decisions.

2.6 The expectation is that the vision for WCC is one that is developed, articulated and owned by the local NHS, with a strong mandate from local people and other partners. PCTs should state what their vision for WCC is locally and what they will achieve through continually commissioning better services and delivering better outcomes based on local priorities.

3. Building Blocks

3.1 PCTs will be supported to achieve WCC through three key areas:

- Development Programme
- 11 Competencies
- Assurance System

3.2 Originally the Development Programme was to be a national programme supported by the NHS Institute and others, working closely with PCTs. Following consultation with SHAs and PCTs the expectation is now on SHAs to develop these programmes with their local PCTs.

3.3 Commissioning Competencies are described by a series of 11 headlines (See Appendix A) and there are sub components which set out the skills, process/ knowledge requirements and outputs expected for each competency

3.4 Locally, commissioners will need to engage with development and training organisations to improve capability, agreeing and securing what is needed both for organisations and individuals. The output of this work will form a key part of the Talent and Capability Plan.

3.5 The Commissioning Assurance system is intended to help understand PCT progress towards WCC i.e. performance as Commissioners, comparison to others and the potential for improvement. The system was piloted with 5 PCTs in the North West.

4. Assurance Programme

4.1 Commissioning will be assured by reviewing 3 key areas:

- Health outcomes and quality
- Competencies
- Governance

4.2 Health outcomes are about measuring health gain and quality in health care and ratings will be assigned based on the PCTs ability to deliver key health outcomes. PCTs will be asked to select 8 outcomes to focus on and will need to set a rate of improvement for each. Their selection and stretch will be examined in terms of how they fit with the Strategic Plan and ambition. The assessment will be based on the NHS Vital Signs. The locally selected

outcomes will be measured alongside 2 nationally selected outcomes – life expectancy at birth and health inequalities

4.3 The assurance of competencies will measure the extent to which the commissioner possesses the core competencies and scoring will be against degrees of best practice, from 1 (under baseline) to 4 (world class).

4.4 The assurance of governance will focus on a current and forward looking review of Board controls and processes, strategy and long term financial controls. A red, amber or green rating will be given to the 3 key areas of strategy, finance and governance. Appendix B sets out an example of what a scorecard could look like for a PCT.

4.5 Recent discussion with the WCC team indicates the scorecard will now be supplemented by a commentary which describes the PCT potential for improvement, recognising the scorecard reflects a point in time and also providing context to the scorecard.

4.6 There are 4 methods of assessment:

- Self assessment
- 360 degree feedback from partners e.g. Local Authorities, PBC Clusters, public.
- Metrics e.g. SHA led desk based process involving data collection from various sources and analysis.
- Panel Review i.e. review and challenge of all the assessment areas, supporting evidence and interviews with the executive team and the Board. The Panel will contain 5 experienced panel members for example a peer PCT Chief Executive, a Local Authority representative, an external Analyst, and an SHA representative. The review will take place over one day to be organised by the SHA.

4.7 The assurance will take place every 3 years with annual reviews.

4.8 As this is the first year of the system, the scorecard will not be published by the DoH, however, we will need to consider how we will handle the scores locally. In addition, the expectation to date is that few, if any PCTs, will score highly in the first year as this is an ambitious programme with high standards. As PCTs progress, the standards will be raised in order to stretch performance and raise the ambition. Discussion is currently ongoing about the incentives and consequences for PCTs to become WCC, although survey results show financial incentives are a top priority as well as reducing SHA monitoring and intervention.

4.9 The timetable is set out in Appendix C.

5. South of Tyne and Wear Approach

5.1 The National Vision for WCC aligns well with the local South of Tyne and Wear (SOTW) Vision, developed over the last year

5.2 The executive and senior management team have undertaken a self assessment against the competencies and governance elements of WCC and as a result, an initial action plan has been agreed.

5.3 In addition, we have reviewed the Fitness for Purpose development plan as a basis of our self assessment and cross referenced this with the WCC requirements.

5.4 All 13 areas of WCC (11 competencies, governance and outcomes) have been allocated to Directors, linking closely with their day to day responsibilities in order to give strategic direction to these areas. Each Strategic Lead (Director) is working with appropriate operational staff to take forward the initial action plan, review the FFP requirements in their area, undertake a more in depth assessment of how we are currently performing, challenge the status quo and identify areas for improvement in the short, medium and long term.

5.5 Strategic Leads will report on progress to the Commissioning Executive Team. The work is being supported by a senior manager, in terms of liaising with the WCC team, communication across the organisation and ensuring we understand and respond to the requirements of the assurance process as an organisation. The Senior Manager is working directly to the Chief Executive in relation to these responsibilities.

5.6 SOTW is also working jointly with the SHA in order to actively take forward the WCC requirements. Each PCT Cluster has shared its high level assessment and areas of concern have been identified. The SHA and lead Chief Executives are currently assessing the issues and working on options to access support for PCTs in these areas.

5.8 The SHA and PCT Cluster Chief Executives have discussed with the national WCC team the cluster arrangements in the North East SHA area and the WCC team have agreed it is appropriate to assure each Cluster once, whilst recognising there will be 3 outputs per cluster (reflecting the 3 PCTs) However, where we have delegated commissioning responsibilities to a Once North East team, then each Cluster will need to apply the assurance framework to these functions. Recent assessment indicates that of the 11 Once North East Groups, 6 functions have some commissioning responsibility:

- Cancer Network
- Ambulance Services Commissioning
- Mental Health/Learning Disabilities
- North of England Cardiovascular network
- Prison health commissioning
- Specialised Commissioning

6. RESOURCE IMPLICATIONS

6.1 There is no additional funding from the DoH to support the implementation of the WCC programme. The main resource implication will be on the capacity of the existing management team to prepare for the assurance process. However, it must also be recognised that the WCC development is not in addition to existing roles, it is fundamentally about our current commissioning responsibilities as a PCT. In addition moving towards world class commissioning is recognised as a 5 -10 year programme.

7. COMMUNCIATON AND TRAINING ISSUES

7.1 A Communication Plan has been developed to manage both internal and external communications.

7.2 Senior managers are taking the opportunity with partners agencies at key meetings to raise awareness of the WCC agenda.

7.3 In addition approximately 50 staff with key commissioning roles have undertaken a detailed individual self assessment against the 11 competencies using a tool developed by an Organisational Development Company, commissioned by the teaching arm of SOTW. The results of the assessment are informing the Organisational Development Plan. The Plan will also be informed by the current individual training needs analysis per Directorate and the Organisation Development Tactical Plan.

7.4 A survey of the 7 PBC Clusters regarding their views of the PCT as a Commissioner has been undertaken alongside the recent review of Partnership Working with Local Authorities, Foundation Trusts and the Voluntary Sector. All of which will inform the Development Plan.

8. RECOMMENDATIONS

8.1 Partners are recommended to:

- Receive this report for information
- Respond to the formal WCC survey to be circulated in September

Author: Debbie Burnicle
Assistant Director of Commissioning and World Class Commissioning Change Agent.
14. 05.08

APPENDIX A COMPETENCIES

1. **Are recognised as the local leader of the NHS**

2. **Work collaboratively with community partners to commission services that optimise health gains and reductions in health inequalities**

3. **Proactively seek and build continuous and meaningful engagement with the public patients to shape services and improve health**

4. **Lead continuous and meaningful engagement with clinicians to inform strategy, and drive quality, service design and resource utilisation**

5. **Manage knowledge and undertake robust and regulr needs assessments that establish a full understanding of current and future local health needs and requirements**

6. **Prioritise investment according to local needs, service requirements and the values of the NHS**

7. **Effectively stimulate the market to meet demand and secure required clinical, and health and well-being outcomes**

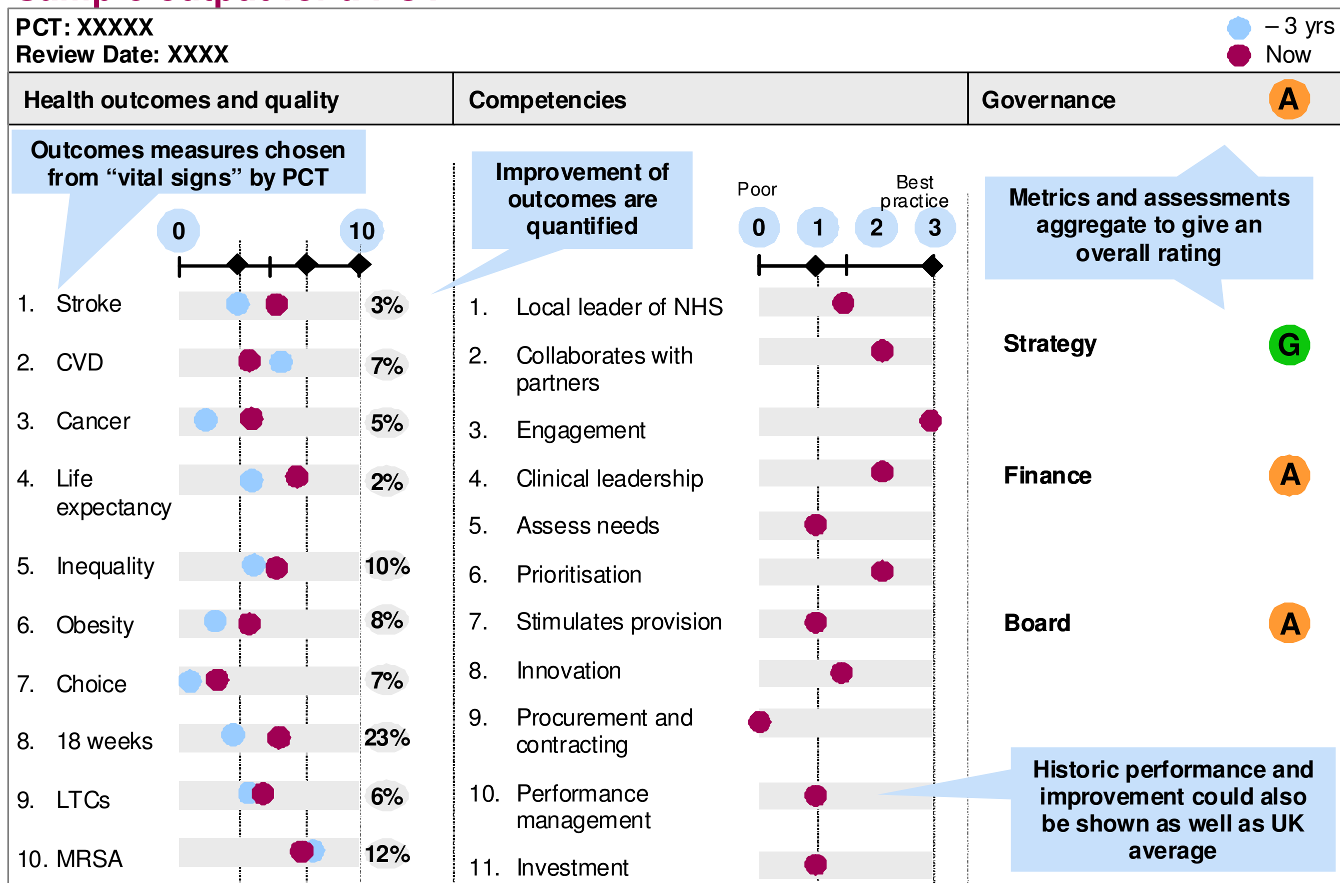
8. **Promote and specify continuous improvements in quality and outcomes through clinical and provider innovation and configuration**

9. **Secure procurement skills that ensure robust and viable contracts**

10. **Effectively manage systems and work in partnership with providers to ensure contract compliance and continuous improvements in quality and outcomes**

11. **Make sound financial investments to ensure sustainable development and value for money**

APPENDIX B DRAFT SCORECARD



APPENDIX C TIMETABLE

Toolkit launched	June 08
Self Assessment process	August/September 08
Collection of Evidence	October 08
Completion of Key Plans	Mid October 08
Panel Days	November 08
Calibration	December/ January 09