Portsmouth & South East Hampshire
Clinical Commissioning Groups

COMPACT

FOR COLLABORATIVE WORKING

FOR THE CLINICAL COMMISSIONING GROUPS OF:

NHS FAREHAM AND GOSPORT

NHS PORTSMOUTH

NHS SOUTH EASTERN HAMPSHIRE

EFFECTIVE DATE: 1 APRIL 2015

COMPACT FOR COLLABORATIVE WORKING

1 Introduction

The Health and Social Care Act established Clinical Commissioning Groups (CCG) to locally lead the commissioning of the majority of health care services for their defined areas. CCGs come into effect as legally established entities with full powers on the 1 April 2013. Each CCG has its own arrangements (summarised in its constitution agreed with its member practices) to meet its responsibilities for commissioning care for the people for whom it is responsible.

CCGs are established under the Health and Social Care Act 2012 ("the 2012 Act"). They are statutory bodies who have the function of commissioning services for the purposes of the health service in England and are treated as NHS bodies for the purposes of the NHS Act 2006 ("the 2006 Act"). The duties of CCGs to commission certain health services are set out in section 3 of the 2006 Act, as amended by section 13 of the 2012 Act, and the regulations made under that provision.

As part of this the 3 CCGs in Portsmouth and South East Hampshire have stated their intent to do this in part through working, in equal partnership, collaboratively. This COMPACT seeks to summarise and formalise these arrangements.

There is a long history of collaborative commissioning across the geography of Portsmouth and South East Hampshire. This is principally driven by the shared reliance of provision of acute care from Portsmouth Hospitals NHS Trust which serves the three localities in broadly equally terms. Most recently this has been through the development of the Sustainability programme focused on ensuring a quality and financially sustainable local NHS provider model for the future.

As commissioners the 3 CCGs rely on the same providers and same pathways of care for much of their delivery of services to their constituent populations. Therefore a unified approach to commissioning in these areas offers many benefits to the 3 CCGs in the delivery of their own visions and strategic objectives.

2 Parties to the COMPACT

This agreement is between the three Clinical Commissioning Groups in Portsmouth and South East Hampshire, namely:

- NHS Fareham and Gosport Clinical Commissioning Group
- NHS Portsmouth Clinical Commissioning Group
- NHS South Eastern Hampshire Clinical Commissioning Group

3 Purpose

The 3 CCGs recognise the need to work together and work smarter, drawn together by their common purpose and utilisation of the same health care providers and desire to get maximum value from their resources. In order to ensure a sustainable health system this requires co-operation. Benefits are recognised by doing things together

including reducing workload, costs, duplication and importantly maximising influence by having a single voice with providers.

The collaborative is focused on enabling the 3 CCGs to:

- Direct and co-ordinate strategy and approaches with local providers for mutual benefit and improvements in value for money, quality and access
- Develop a shared clinical vision and common approach in the redesign of pathways of care
- Adopt a common and single approach to contract management and commissioning with shared providers and work collaboratively to interact with other CCGs in the agreed models (see section 5.3).
- Share experiences and adopt common solutions in respect of quality improvements, QIPP and cost improvement programmes
- Oversee shared management arrangements
- Adopt a common approach to the relationship and the management of Commissioning Support arrangements as the 'intelligent customer'
- Development of common or complementary operating models using shared resources to ensure best value and to minimise running costs of the CCGs

4 Principles and Values

In working together the 3 CCGs commit to working in a **positive** and **open minded** manner. They will **trust and support** each other as part of the partnership and ensure they are **open and honest**. They will keep the patient and their populations at the centre of their activities. The CCGs agree to communicate openly about concerns issues and opportunities in relation to the agreement.

Key principles that will underpin partnership working include:

- Collaborative working will be undertaken where it has been demonstrated there is **benefit** to all parties in one or more of : **value for money**, **specialist** resource, **negotiating** power with providers
- In all discussions and decisions the impact on **quality and outcomes** will be explicitly considered and recognised as will the need to **reduce inequalities** within and across CCGs.
- Taking a **singular approach** with, and speak in an **unified voice**, with shared providers – particular in areas of poor or weakening performance where shared commissioning arrangements are in place
- Collaborative working may sometimes happen between **two of the three** partners where this makes sense and these arrangements will be covered by this compact.
- Collaborative working will allow **local variation** in recognition of variable levels of need and resources.

The 3 CCGs will at all times observe "such generally accepted principles of good governance" in the way it conducts its business, in accordance with section 14L (2) (b) of the 2006 Act (inserted by section 25 of the 2012 Act). This includes:

- The highest standards of propriety involving impartiality, integrity and objectivity in relation to the stewardship of public funds, the management of the individual organisations working in collaboration and the conduct of business
- The *Good Governance Standard for Public Services* (OPM, CIPFA 2004)

- The standards of behaviour published by the *Committee on Standards in Public Life* (1995) known as the 'Nolan Principles'. The seven principles being selflessness, integrity, objectivity, accountability, openness, honesty and leadership
- The NHS Constitution and the seven key principles that guide the NHS in all that is does (*The NHS Constitution: The NHS belongs to us all* (March 2012)):
    - The NHS provides a comprehensive service available to all
    - Access to NHS services is based on clinical need, not an individual's ability to pay
    - The NHS aspires to the highest standards of excellence and professionalism
    - NHS services must reflect the needs and preferences of patients, their families and their carers
    - The NHS works across organisational boundaries and in partnership with other organisations in the interest of patients, local communities and the wider population
    - The NHS is committed to providing best value for taxpayers' money and the most cost-effective, fair and sustainable use of finite resources
    - The NHS is accountable to the public, communities and patients that it serves
- The *Equality Act 2010*
- The *Standards for members of NHS boards and Clinical Commissioning Group governing bodies in England* published by the Professional Standards Authority 2012

5 Roles and Responsibilities

The key functions of the COMPACT have been identified as being:

- Working collaboratively on bringing together commissioning work programmes delivering them.
- The hosting of functions by individual CCG serving all 3 CCGs.
- Working collaboratively to manage the relationship with the Wessex Area Team of NHS England

5.1 Collaborative Arrangements for Work Programmes

5.1.1 Commissioning Work Programmes:

The CCGs have clearly identified overarching work programmes which align to their commissioning strategies and informed by QIPP. The CCGs will work collectively to take a clear task and finish approach to specific shared objectives within these work programmes.

Each work programme, sub-programme, project or task will have:

- A single clinical lead (unless otherwise agreed) who represents all 3 CCGs and is promoted as such to stakeholders
- An executive or senior manager lead who leads to the work programme on behalf of the clinical lead
- A 'team' of clinicians to support the Clinical lead and who are identified from each of the CCGs from their existing clinical leadership teams

Under the leadership of the Chief Commissioning Officer, the Portsmouth and South East Hampshire hosted commissioning team will assign commissioning managers, project and administrative support to each work programme.

The Portsmouth and South East Hampshire Commissioning Collaborative will act as the overall co-ordinating body for the work programmes; ensuring work is on track, resolving any differences of opinion between CCGs prior to individual CCG decisions via their individual governance arrangements.

The role of the **Clinical Lead** is defined as:

- Lead the development of the programme strategy aligned to individual CCG strategic objectives
- Establish a clinical team drawn from clinical leads in CCGs and agree their individual roles and remits within the programme
- Be available to all 3 CCGs governing bodies and their sub-committees where their business requires it
- Communicate with clinical leaders of CCGs in a timely way about the objectives and progress of the work programme
- Engage with clinicians in the wider system to involve them in shaping and delivering the programme
- Consult with clinical stakeholders on best clinical outcomes for the programme – be the final arbitrator of any clinical debates
- Engage with the executive/senior manager lead for the programme and the commissioning team to steer, advise but also to hold to account for delivery
- Act as clinical representative on behalf of all 3 CCGs at any associated high level meetings related to the programme

The role of the **Executive/Senior Manager** is defined as:

- Support the Clinical Lead by working in and with all 3 CCGs to develop the commissioning strategy for the programmes (aligned to each CCGs strategic objectives)
- Establish the commissioning team, including project and admin support, to deliver the programme of work
- Ensure QIPP schemes for the programme are planned and delivered for all 3 CCGs, allowing for local decision making within the 3 CCGs
- Establish a work programme to design and deliver the agreed outcomes
- Support the Clinical Lead in stakeholder and clinical discussions
- Be available to all 3 CCG governing bodies and their sub-committees to report on and represent the work programme
- Establish regular reporting on progress, issues and decision required to the 3 CCG Clinical Executive Teams

The role of the **Clinical Team** is defined as:

- Represent GP members views from their individual CCG and member practices
- Engage with practice members to maintain input and contribution to the work programme (and specific pieces of work within it)
- Take on and lead specific projects within the work programme
- Support the Clinical Lead in system and clinical discussions
- Ensure the outcomes of the work programme are based on best clinical outcomes

- Ensure the specific requirements of their CCG are met by the work programme, including designing and delivering CCG-specific solutions where these are necessary
- Work with the Executive/Senior Manager lead and commissioning team as part of the overall programme team
- Represent/deputise for the Clinical Lead as required

5.1.2 Provider Relationships:

The CCGs will work in line with the models for collaborative commissioning as agreed across the CCGs in Wessex. These can be summarised as being:

- **Delegated Commissioning** – formal delegation to another CCG as detailed within the CCGs scheme of reservation and delegation, enshrined in a legally binding agreement. The lead CCG can take decisions on behalf of other CCGs without necessarily securing prior agreement (within an agreed framework). This is the requisite model for any risk sharing or pooled budget arrangement and is appropriate where there is a requirement for common contracting arrangements such as s256/75.
- **Lead and Associate Commissioning** – one CCG takes responsibility for developing a joint strategy, a single contract, driving contract negotiations and monitoring performance including quality improvements at a specific provider on behalf of other CCGs. This enables CCGs to fulfil its commissioning accountability and maximise leverage when they are marginal purchasers from a provider. There is neither delegated accountability, nor risk sharing arrangements and strategic and funding decisions are taken by individual statutory organisations. It requires an aligned contract framework and whilst the lead commissioner is responsible for operational responses it has responsibility to escalate issues concerns and opportunities to associate CCGs.
- **Lead Service/arrangement commissioning** – to enable the transformation and/or redesign of a service that is best planned and commissioned at a supra-CCG population level (e.g. vascular, emergency planning). Within an agreed framework one CCG takes responsibility for developing a strategy (in collaboration with partner CCGs) and potentially leading the implementation of that strategy on behalf of partners. This requires an aligned strategy and presumes a need to develop specialist understanding and expertise. There is neither delegated accountability, nor risk sharing arrangements and strategic and funding decisions are taken by individual statutory organisations. Arrangements are enshrined in a MoU.
- **Co-ordinated Commissioning** – two or more CCGs work collectively within a clearly articulated agreement to maximise leverage over providers and deliver system transformation where CCGs all have material interests in a specific provider. There is a single contract with the provider with appended CCG specifications. Negotiations and monitoring is undertaken together at the same time and through the same mechanisms but decisions are taken by individual statutory organisations (or accountability discharged through nominated individuals) but leadership across CCGs will be agreed.
- **Partnering Commissioning** – each CCG has separate contracts with providers but share intelligence and align strategies with other CCGs to the benefit of all CCGs. There is no delegation of accountability or responsibility, no expectation one CCG leads any aspect on behalf of another, nor expectation to use the same mechanisms and timings for contract negotiations and monitoring.

The following arrangements are in place for the CCGs local providers:

Provider	Model
Portsmouth Hospitals NHS Trust	Co-ordinated commissioning across the 3 CCGs with PCCG as co-ordinating commissioner
Southern Health Foundation NHS Trust	Lead and associate commissioning with FG/SEH leading and PCCG associate
Solent NHS Trust	Lead and associate commissioning with PCCG leading and FG/SEH associates

5.2 Hosting of functions

The following shared functions are hosted by one CCG on behalf of the other two:

Function	Hosting CCG
Commissioning	South Eastern Hampshire
Communications and Engagement	South Eastern Hampshire
Emergency planning (EPRR)	South Eastern Hampshire
Equality & Diversity	Portsmouth
Finance, Performance and Planning	Portsmouth
Medicines Management	Portsmouth

The functions will provide full support to the 3 CCGs to meet their individual and collaborative needs. They will identify synergies between the 3 CCGs plans. Where ambitions are shared, the management team will support the relevant CCGs by helping to develop work programmes in common, to be delivered jointly by the partnership.

Each CCG hosting a function will have full operational and day to day management responsibilities for the function for the 3 CCGs. Each CCG will retain its statutory accountabilities and decision making so the functions will work within the individual governance of each CCG. For each hosted function there will be in place:

- An agreed service description defining the key features and outcomes of the receiving CCGs requirements and the price to be paid
- An acceptance that the function will adopt and apply similar systems, processes and timetable to discharge their duties in order to benefit from economies of scale and synergies.

The Operational Review Group (ORG) has been established as a partnership forum to oversee the performance management of hosted functions. ORG will be the forum for both the hosting and receiving CCGs to assess and evaluate the benefits of hosted functions, discuss operational issues and development opportunities. Each CCG will have its own internal processes to consider and reviews its satisfaction with hosted functions and a mechanism to ensure feedback is available to ORG. The ORG will report to PSECC and have clear terms of reference agreed by all parties and reviewed at least every three years.

Should a CCG wish to cease engagement with a hosted arrangement for a specific function (s) then it would be required to give at least six months' notice and note that TUPE may apply. The costs of the impact of giving notice will also need to be funded via that CCG such as any redundancy costs if staff not able to be redeployed.

Whilst the 3 CCGs are not sharing single arrangements in respective of quality functions it is agreed that they are committed to working collaboratively to commission a high quality approach from providers and will put in place appropriate arrangements. A Memorandum of Understanding setting out how the quality teams of the 3 CCGs will work together has been agreed underpinning this COMPACT arrangement.

5.3 NHS England including the Wessex Area Team

The 3 CCGs will work with NHS England at national, regional and local level collaboratively in matters of common interest and with regards the local health system issues.

The CCGs will seek to work collaboratively with the NHS England Wessex Area Team, in its respect of its direct commissioning responsibilities, as the fourth local NHS commissioning partner as part of commissioning discussions, review and redesign of care pathways and services, and in its relationships with local providers. This is in recognition of the Wessex Area Teams responsibilities as a direct commissioner in areas such as primary care, children services, emergency planning and specialist services.

The CCGs will also establish where appropriate a shared way of working with NHS England in its CCG assurance role which will include principles of working such as:

- Assurance regarding system performance undertaken once and collaboratively
- Lead roles within CCGs representing each other
- Use of deputies for each other to streamline resources committed to assurance.

5.4 General Ways of Working

The following principles have been agreed with regards working arrangements:

- There will timely communications of key events such as meetings happening, recommendations being developed, potential issues and disputes. This will be done via the most appropriate and expedient method e.g. email to the 3 CCGs clinical leaders and lead managers, phone call, using the next monthly meeting where this can wait.
- Decision making remains the province of each individual CCGs but scope to make decision within agreed parameters may be set through agreement of individual work programmes and projects
- A task and finish approach will be taken to individual projects within the overall framework of commissioning strategies and work programmes.
- The benefits of having lead arrangements with robust frameworks and clear work programmes should result in fewer collaborative meetings and more “doing things for each other not with each other”
- Escalation of potential issues will be done early with a view to local resolution and agreement of handling
- The Portsmouth and South East Hampshire Commissioning Collaborative provides a regular monthly briefing opportunity

The collaboration is not limited to clinical and managerial arrangements but will also seek to support members of the three CCGs Governing Bodies such as lay members, secondary care doctor and nurse roles.

6 Governance

Responsibilities – Each of the CCGs remains responsible for the performance and exercise of its statutory duties and functions for commissioning NHS funded services to meet the needs of its population.

Decision Making - All decisions will be made in line with the CCGs individual governance arrangements. The collaborative will oversee and provide direction via the collaborative commissioning committee (see section 7) which will meet on a monthly basis. There will be quick and clear communication of any decisions or actions taken by one individual, team or CCG on behalf of others.

Scope of Authority - The collaborative scope of authority is that which is brought by the delegated powers of the individual members and therefore will require the sanction or mandate from the individual CCGs governance in order to undertake collaborative business. These will need to be in accordance with the individual CCG constitutions, standing orders, scheme of reservation and delegation, prime financial policies and this COMPACT.

Disputes Resolution – any dispute arising from the COMPACT shall be resolved as follows:

- At least one senior management officer of each CCG will review the dispute and consider potential approaches to achieve resolution. This meeting should take place at the earliest opportunity and not later than one month after the dispute has been formally recognised
- Where an agreement is reached this will be recorded in the notes of the meeting
- Should a dispute remain unresolved then the matter will be escalated to Clinical Leaders.
- A meeting will be convened of the Clinical Leaders, along with relevant management representatives. This should take place within 15 working days (unless otherwise agreed) to try and identify resolution
- Should this fail then an external independent party will be asked to mediate
- The mediator will meet with the CCGs to gain resolution and set out any agreement in writing to each CCG which they will sign
- Should agreement not be reached through mediation the CCGs will submit themselves to the binding lawful decision of the independent adjudicator.

Standards of Business Conduct and Conflicts of Interest Management – CCGs are required by section 14O of the 2006 Act, as inserted by section 25 of the 2012 Act, to make arrangement to manage conflicts and potential conflicts of interest to ensure that decisions made by the CCGs (individually and collaboratively) are taken and are seen to be taken without any possibility of the influence of external or private interest. All individuals working for the CCGs in the conduct of work within this COMPACT must comply with their individual CCGs policy on standards of business conduct, including the requirements set out in the policy for managing conflicts of interest. Where an individual is not already declaring interests on the CCGs Register of Interest then arrangements should be made for this to be done.

Procurement – the CCGs recognise the importance in making decisions about the services it procures in a way that does not call into question the motives behind the procurement decision that has been made. The CCGs will procure services in a manner that is open, transparent, non-discriminatory and fair to all potential providers. Each CCG has a procurement strategy which it will work within to ensure this. The CCGs will work collaborative through a shared procurement group where there is a shared service model to achieve the benefits of a single approach to procurement where appropriate.

7 Portsmouth and South East Hampshire Commissioning Collaborative

To support the work of the COMPACT a Portsmouth and South East Hampshire Commissioning Collaborative Group (PSECC) is established.

The groups focus is on the development and delivery of the shared commissioning work programme, ensuring that this fits with individual CCG strategies and integrated commissioning arrangements. It is an advisory group with individual formal decisions taken in the respective CCGs via their own governance arrangements.

These meetings will be chaired and serviced by the (shared) Chief Commissioning Officer and their team.

The group has been established by the 3 CCGs in order to work in equal partnership to:

- Develop, and oversee delivery of a clear work programme for collaborative commissioning which enables the individual CCGs to deliver their own visions and strategic objectives.
- Support the hosted commissioning function for delivery of the agreed work programme
- Receive reports and proposals on individual aspects of the work programme – to review progress, troubleshoot and escalate issues and to discuss possible ideas and solutions
- Take an overview of approach to planning, progress against agreed initiative and development of future year initiatives
- In order to have a system wide overview of commissioning consider the impact on each other of other individual commissioning work programmes, and integrated commissioning work programme with CCG Local Authority partners, and consider how these align and can be co-ordinated where desirable to do so
- Discuss and develop commissioning approach to, and handling of, shared providers
- Develop system wide approach to QIPP where appropriate
- Receive and actions in response to feedback from member practices
- Agree messaging and communications with members practices in relation to the shared commissioning work programme.

Terms of Reference have been agreed for the group which sets out the constitution, purpose, responsibilities, scope of authority and decision making, membership, quorum and attendance, frequency, management and reporting arrangements.

Appendix one sets out a summary of the system wide mechanisms that are in place, at the time of writing this agreement, in which the 3 CCGs work collectively within. These arrangements are subject to change following reviews and changing needs of the system.

8 Use of Resources

The CCGs will hold individual and separate funds as allocated to them by NHS England. All decisions which impact on the resources of a specific CCG will need to be approved by that CCG either through its annual financial programmes supporting it commissioning strategies or on a business case by case basis. Such approvals will need to be obtained through the delegated authority provided to individuals from each CCG or through the individual CCG governance arrangements as set out in respective schemes of reservation and delegation. .

The CCGs may choose to pool their delegated funds in specific areas where this is felt to be the best model for the combined populations.

The CCGs will also seek to manage financial risks in agreed areas through the agreement of risk sharing agreements. Risk sharing is a pooling of resource with the purpose of smoothing the risk exposure for individual CCGs where activity may be high cost/low volume, unpredictable, unmanageable and likely to have a disproportionate impact on a CCG if there is variation from plan. The CCGs may also wish to pool funds and share risk to further its collective commissioning strategies and for the collective good of the local health system.

Any such risk sharing will be discussed and agreed in principle between the CCGs at PSECC, with approval being sought via individual CCGs governance arrangements. Should such risk sharing be agreed, this will be laid down in a formal risk sharing agreement between the CCGs, which will set out the terms of the arrangement including the purpose, financial amount, approach to risk sharing, agreed term and exit arrangements.

Examples of such risk sharing could include:

- High cost/low volume activity on the PHT contract e.g. high cost drugs
- Collective funds to pilot innovative ways of working in support of the CCGs commissioning strategies
- Spot purchasing

This list is not exhaustive.

9 Key relationships

There are many key relationships which the 3 CCGs need to work with individually and collectively. These include:

- Member practices
- Portsmouth City Council and Hampshire County Council
- Local District and Borough councils in South East Hampshire
- NHS England - National
- NHS England - Regional Director and Team for the South of England.
- NHS England - Wessex Area Team Director and staff

- Development and Regulatory bodies including: Trust Development Agency, Monitor, Care Quality Commission, Public Health England
- Providers of health care services : including primary care, Portsmouth Hospitals NHS Trust, South Central Ambulance NHS Trust, Solent NHS Trust, Southern Health Foundation NHS Trust, Care UK, NHS Direct
- Healthwatch England and Local
- Local Medical Committee and other Local Representative Committees
- Voluntary and Community sector partners
- Patient and Public groups
- Members of Parliament
- Media

10 Amendments to the COMPACT

This COMPACT can only be varied by:

- Mutual agreement from the 3 partner CCGs
- The effect of changes to legislation or direction from the NHS Commissioning Board
- One or more CCG giving at least six months' notice for amendment or to quit from all or part of this agreement. The CCG leaving the COMPACT will be liable for any costs related to this action.

11 Review Arrangements

This COMPACT will be reviewed at least every three years collaboratively via by the 3 CCGs involving each individual CCG Governing Body (or delegated arrangements) to ensure it remains up to date and fit for purpose.

12 Status

This COMPACT is made between the 3 CCGs as set out in section 2 and has effect from 1 April 2015. The COMPACT will be published on the 3 CCGs websites.

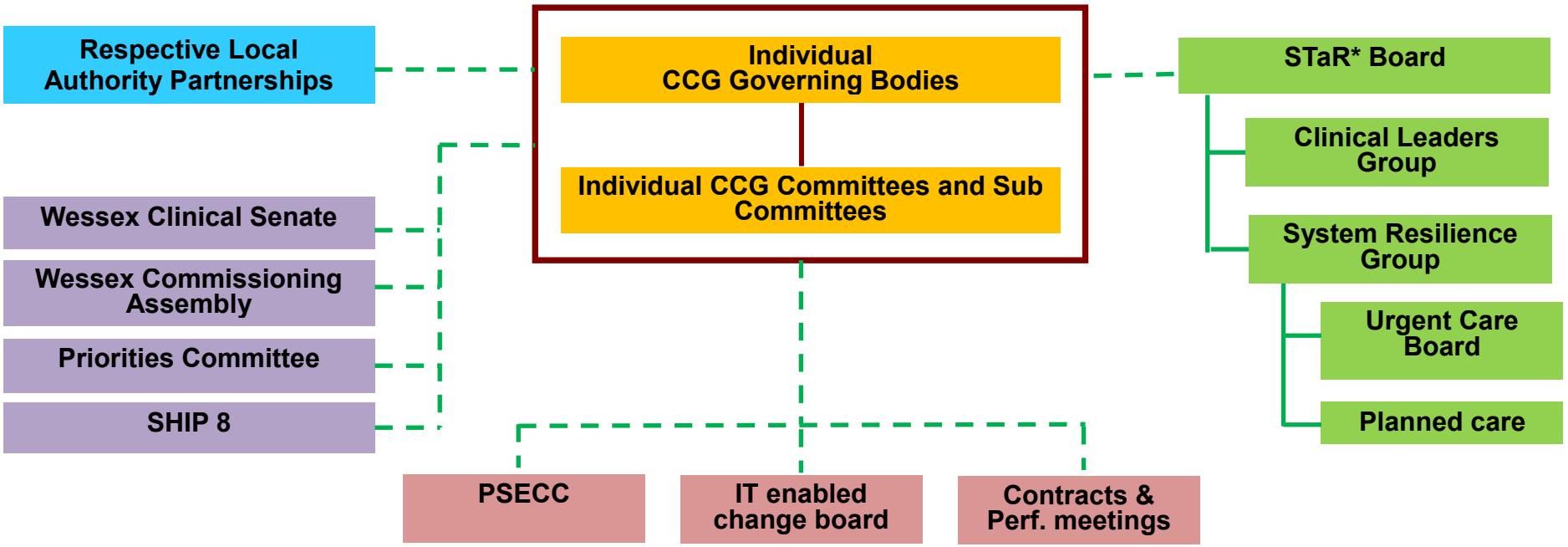
13 Dates of Approval

This COMPACT agreement has been approved through the appropriate governance mechanism in each CCG in line with its constitution and scheme of reservation and delegation. The specific arrangement for the three CCGs is set out below:

CCG	Meeting	Date of approval
NHS Fareham and Gosport	Governing Body	11 March 2015
NHS Portsmouth	Governing Board	18 March 2015
NHS South Eastern Hampshire	Governing Body	11 March 2015

Appendix One

COMPACT GOVERNANCE FRAMEWORK/MEETINGS MAP



Key:
Gold: individual CCG
Blue: Local Authority Partnerships
Green: System Wide arrangements with providers and LAs
Pink: COMPACT Commissioner only arrangements
Purple: Wessex/SHIP wide arrangements
Solid Line: formal reporting arrangements
Dotted Line: advisory/discussion links