Appendix 5a

NHS Providers member briefing: Developments in specialised commissioning

Introduction

This briefing summarises recent developments in specialised commissioning, including the direction of travel articulated in the Integration of specialised services annex published by NHS England alongside part one of the planning guidance in December 2018. We would welcome feedback and comments on members' experiences of the trend to develop a more place based approach to commissioning specialised services for particular population sizes. Please contact adam.wright@nhsproviders to share examples or feedback.

Background

The NHS specialised services budget is worth around £17.7bn annually and covers a broad range of services from proton beam therapy to tertiary mental health services. Historically, the split between specialised commissioning (which is the legal responsibility of NHS England) and local secondary and community care (led by clinical commissioning groups (CCGs)) has led to fragmentation across care pathways in part because many of the specialised services that NHS England commission are part of broader care pathways that include CCG-commissioned services. However the way specialised services are commissioned is beginning to change.

In *Delivering the Forward View*, published in 2015, NHS England announced plans to trial a new approach to specialised commissioning. Secondary mental health providers were invited to take part in a pilot that would see them manage budgets for tertiary mental health services. This ambition was later restated in the *Mental Health Taskforce Five Year Forward View*. In July 2016 six providers were announced as part of this new care model that involved them taking on the budgets for either children and adult mental health (CAMHs) or secure mental health services, with a further 11 providers handed some commissioning budget a year later.

The evolution of system working through sustainability and transformation partnerships (STPs) and integrated care systems (ICSs) is also impacting on the commissioning landscape. As we detailed in our recent report *Driving Forward System Working*, CCGs and providers are increasingly working in different and more collaborative ways to make the best use of resources to deliver for their local populations within STPs/ICSs. In some instances this involves providers, or partnerships or providers, taking on more responsibility for developing service specifications, planning and sub-contracting of local services.

National policy: direction of travel

Specialised commissioning policy is developing at speed, with implications at both system and provider level. As part of the 2019/20 planning guidance, NHS England announced plans for the integration of specialised services with local health and care systems. The move will see local systems and national commissioners (i.e. NHS England) working together to plan services and develop place-based commissioning. It is hoped these changes will lead to the development of plans that are based on specific local requirements, while giving local systems more say over how specialised budgets are spent.

Services for rare conditions that serve populations over ten million (such as proton beam therapy) would remain nationally or regionally commissioned.

Table 1: Summary segmentation of specialised services

Commissioning levels	Population size	Services	Examples	Possible practical application
National or regional	Over 10m population	~80 services ~£1.6bn	Proton beam therapy, specialist mental health services for deaf adults	Remain nationally or regionally commissioned, working with local systems as appropriate
Sub-regional	2.5m - 10m population	~50 services ~£8.6bn	Radiotherapy, children's specialist surgery, CAMHS Tier 4	Greater collaboration with local systems through planning boards
Local health systems (STP/ICS or groups of STPs/ICSs)	1m - 2.5m population	~20 services ~£6.4bn	Adult specialist cardiac services, renal dialysis, chemotherapy	Greater collaboration with local systems

SOURCE: NHS ENGLAND

Planning boards – the minimum requirement

For services that cover a population of less than ten million, NHS England intend for specialised activity to be commissioned via new joint planning boards. These planning boards would be involved in: strategy and planning, service transformation, governance and risk management and the quality, finance, contracting and performance oversight. In some systems these boards already exist and are already involved in the planning of services.

There is a minimum expectation that by April 2019 all STPs/ICSs will have established or begun to set up a joint planning board. Some may be led by STPs/ICSs while other will be led by NHS England. Sometimes planning boards will be developed on a multi-STP footprint that is reflective of patient flows. Core membership should include:

- STP and ICS representatives (commissioner and provider)

- NHS England specialised commissioners
- Clinicians
- Patient and public lay members

Options for more mature systems

More mature systems will be allowed to develop more advanced place-based specialised commissioning arrangements. These systems will be expected to build a case for change, develop proposals, implement new arrangement and then evaluate outcomes. Proposals will however need to be signed off by the relevant NHS England authority.

Given that NHS England's accountability for specialised services is effectively set out in the Health and Social Care Act (2012), the national bodies have developed three options to enable more mature systems to take on additional responsibilities for specialised commissioning:

1. Pooled budgets: NHS England and CCGs to share incentives, risk and decision-making.
2. Joint appointments: between NHS England regional specialised commissioners and local commissioners at the system or place level to effectively enable more localised decision making .
3. Internal delegation of specialised commissioning, if an STP/ICS intends to take on responsibility for a wider set of functions usually carried out by NHSE (for example the chief officer in Greater Manchester is an NHS England employee).

NHS England has committed to publish a set of readiness criteria soon to help systems determine whether they should pursue these advanced arrangements.

Learning from the specialised mental health pilots

Specialised mental health budgets have been devolved to providers in 17 areas as part of the new care models in tertiary mental health pilot. In some instances this has involved one provider leading a partnership or consortium of providers, often including the independent sector – or different providers in a collaborative taking a lead for different services and conditions. The work began with providers working in shadow form ahead of NHS England delegating responsibility for commissioning.

The feedback we have received from members involved in these pilots has been very helpful. Overall members have been positive about the delegation of responsibilities for specialised commissioning, highlighting their ability to improve quality of care, for example in reducing out of area placements, and efficiency. Some providers have showed further appetite for taking on more commissioning budgets, while others have successfully applied to their CCGs to devolve local mental budgets.

While the specialised mental health pilots continue to develop, their experiences provide considerable learning to help others overcome barriers to developing a more place based approach, develop governance arrangements, and support clinicians and staff to work more collaboratively in new provider networks and partnerships.

In future this approach may be trialled in other condition areas that would benefit from a similar delegation of responsibilities. This could be considered in those areas where commissioning remains fragmented and where a budget transfer to providers would improve community and inpatient care pathways.

Looking ahead

The *NHS long term plan* outlined NHS England's desire for Parliament to amend legislation that would support some of their proposed changes. One of these changes is to "remove specific impediments to 'place-based' NHS commissioning… [with] ICSs being able to consider the best way of spending the total 'NHS pound'." If legislative barriers could be overcome, this might see ICSs taking a more prominent role in the planning of specialised services.

It is however important to remember that unless the legislation changes, NHS England ultimately remains accountable for specialised commissioning. Unless providers can legally assume full responsibility for these services, matched with full (rather than partial) commissioning powers, and the associated funding, they cannot be expected to bear all the risk associated with planning and designing care.

Questions and considerations

The changes indicated in the planning guidance and *NHS long term plan*, as well as the developments that are already underway, raise a number of questions that we will be asking ourselves, and discussing with trusts and colleagues in NHS England over the coming weeks and months:

- Does NHS England's new approach to place based commissioning hang together as a coherent strategy for specialised commissioning?
- How will NHS England involve trusts in the development of this new strategic approach to specialised commissioning, especially trusts whose business model is dependent on aspects of specialised provision
- How will the new place based approach be balanced against the need for national consistency in how specialised services are commissioned and provided?
- What involvement will the new seven regional teams play in these developments?
- What does this policy change mean for service consolidation in specialised services? What might be the impact on providers of different size and trust type across the country?
- How might these changes affect the current prescribed specialised services (PSS) identification rules, hierarchy and provider eligibility lists?
- How will the new planning boards at ICS level be developed to ensure they have sufficient expertise across a breadth of different conditions? What will be their functions and how will they interact with existing forums designed to drive local service improvements, such as the 19 cancer alliances?

Emerging position

Over the coming weeks NHS Providers will be seeking views on these proposals from our members. We are also looking to speak to those already working with a joint planning board that is coordinating specialised services and those with experience of delegated responsibilities from NHS England.

This is a real opportunity to change the top down nature of specialised commissioning and support NHS England to develop new approach in collaboration with the provider sector. On balance, these changes may well present further opportunities for the provider sector to gain more control and influence over the development and delivery of specialised services and to use their clinical expertise to prompt improvements that have not been possible under existing commissioning arrangements. As we have seen with the mental health providers, there is an appetite within the sector to take on more of the roles traditionally associated with commissioning.

That said, these proposals do raise questions and some concerns. For example how risk management, governance and accountability will operate (in a complex legal framework designed for a competitive, rather than collaborative approach), how staff and funding can be transferred from the centre to provider collaboratives to fulfil commissioning functions, and how the footprints for different specialised services will interact with the new NHSI/E regional structure and ICS/STPs.

If you would like to share your views on these proposals, or share your experience of working with the new planning boards, please contact Adam.Wright@nhsproviders.org.

Appendix – commissioning intentions

https://www.england.nhs.uk/commissioning/wp-content/uploads/sites/12/2018/12/Clinical-Priorities-Advisory-Group-recommendations-November-2018-1.pdf