

Trust Board Report

Meeting Date:	29 th October 2012
Title:	Contracting and Commissioning 2012/13
Executive Summary:	To provide the Board with an updated position on the Clinical Services Contract for 2012/13 and local commissioning changes
Action Requested:	Trust Board are asked to note the report
Report of:	Director of Planning and Contracting
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Resource Implications:	Contract plans need to be met to secure planned income.
Public or Private: (with reasons if private)	Public
References: (eg from/to other committees)	
Appendices/ References/ Background Reading	Not applicable
NHS Constitution: (How it impacts on any decision-making)	<p>In determining this matter, the Board should have regard to the Core principles contained in the Constitution of:</p> <ul style="list-style-type: none"> ✦ Equality of treatment and access to services ✦ High standards of excellence and professionalism ✦ Service user preferences ✦ Cross community working ✦ Best Value ✦ Accountability through local influence and scrutiny

Background Details

1. Introduction

Wolverhampton City PCT (WCPCT) is responsible for the 2012/13 NHS Standard Contracts for Acute and Community Services for all other PCTs in its role as Coordinating Commissioner. RWHT also provides a range of Specialist Tertiary Services which continue to be commissioned by Specialised Services using the same 'standard contract.'

Wolverhampton City Clinical Commissioning Group (WCCCG) currently leads the contractual discussions and negotiations with RWT as a formal sub-group of the PCT Cluster arrangements.

This report gives the detail on the current position with commissioners in respect of RWHT's 2012/13 signed Contracts.

2. PCT Commissioner - Contract Framework

2.1 The Trust Board received a previous report at the 23 July 2012 Trust Board meeting which provided an update on the key components of the agreed 2012/13 contracts for acute, community and specialist services including the key performance/quality indicators required by commissioners.

Since this time the Trust has agreed a contract variation order (CVO) to enable the commissioner to enact an immediate financial penalty for breaches against key quality indicators. The potential financial risks have been minimised in the current financial year.

2.2 The Standard NHS Contract required all co-ordinating commissioners to introduce Commissioning for Quality and Innovation (CQUIN) Schemes as part of the contract, within a payment framework of 2.5% of total contract income. The 3 schemes in Acute, Community and Specialised Services contracts are valued at £7.88million for 2012/13, covering 29 indicators.

An assessment of income risk and potential non recurrent expenditure to reduce this risk and deliver the indicators that have been undertaken. As a consequence the Trust Management Team approved a non recurrent investment in Pharmacy and Catheter Infection Prevention.

Quarter 1 and Quarter 2 performance across the 3 CQUIN Schemes has delivered high level compliance with a limited risk of income loss dependent upon commissioner evaluation and assessment.

3.1 Contract position for Acute services - £222,121,888

The contract for acute services was agreed and approved within the

	<p>required national timescales. However a number of areas required further detailed agreement and these were outlined in the July Trust Board Report. An updated position is noted below:</p> <ul style="list-style-type: none"> • QIPP schemes – The QIPP plans are being taken forwarded via the establishment of a joint Modernisation Programme Board. Commissioners have agreed that all financial savings resulting from QIPP will be available for re-investment across the Health economy and this is being formalised within a risk sharing agreement. • Emergency Readmissions – An agreement in principle has been reached with the commissioner following the outcome of the joint audit. The audit identified that the Trust had a readmission rate of 14%, a low level compared to other Midland and East region Trusts. • Dermatology – The current dermatology service is contracted on a non-recurrent basis. The Trust is in negotiations with the commissioner to agree a substantive position and it is expected that the commissioner will confirm a revised recurrent service model by the end of Quarter 3 with an implementation date of the 1st April 2013. • Dementia – As agreed with commissioners the dementia service has been externally evaluated. The commissioner is reviewing the outcomes of the evaluation and has agreed further non-recurrent funds whilst a decision on the longer-term model is awaited. • Impact of Mid Staffordshire FT A&E Closure – this has been reviewed by commissioners and discussions are underway to agree the value to be added to the 2012/13 contract and the impact upon the emergency threshold. <p>RWT has reviewed 2 Contract Queries from the Wolverhampton commissioner relating to the level of over performance. The Trust has responded to the contract queries and a number of discussions have taken place between the Trust and the commissioner to develop an agreed jointly remedial action plan. Negotiations continue to minimise the risk of a reduction in additional contract income (over income plan).</p>
<p>3.2</p>	<p>Contract position for Community services - £52,739,000 (£50,347,862 for the NHS Community Contract)</p> <p>The 2012/13 community services contract remains within a block contract arrangement, however the commissioner and RWHT have agreed to undertake a contract pricing review during the year to develop the potential to transition to a local tariff.</p> <p>A number of community service developments are currently funded on a non-recurrent basis and these are to be resolved through the contract</p>

	<p>negotiations for 2013/14. These include the urgent care and triage service, health visiting support posts and public health services.</p> <p>Following detailed negotiations the commissioner has now formally extended the contract for the delivery of community dental services.</p>
<p>3.3</p>	<p>Any Qualified Provider</p> <p>Following the implementation of the national any qualified provider policy, the Trust has submitted applications to deliver adult hearing services and foot health services through this contract. Confirmation has now received from the Department of Health that adult hearing services have been accepted onto the any qualified provider register. A formal outcome is awaited for foot health services.</p>
<p>4.</p> <p>4.1</p>	<p>Commissioner Arrangements</p> <p>The responsibility for commissioning progressing through a transitional phase during 2012/13 as the SHA Cluster and PCT Clusters transfer the responsibility for commissioning to other bodies by the 1st April 2013.</p> <p>NHS Commissioning Board</p> <p>The NHS Commissioning Board (NHS CB) will take overall the responsibility for commissioning in 2013/14, supported by 4 regional offices and 37 Local Area Teams (LAT). The DH have put in place transitional plans between October 2012 and March 2013 to enable new organisations, including the NHS CB Regional Offices and LATs to lead work relating to their future functions to ensure the process is coordinated.</p> <p>There will be no formal transfer of statutory functions, accountability, budgets or employment of staff ahead of the timetable for new organisations to become operational and as a consequence the SHA Clusters and PCT Cluster Boards will remain as the accountable bodies until the 1st April 2013.</p> <p>From the 1st October, the NHS CB Regional Director will become the accountable officer on behalf of the Midlands and East SHA and take on management responsibility for the team managing both the 2012/13 operational delivery and the planning for 2013/14. In effect, this will mean that the Regional Directors will be accountable to their new organisations for future planning and development (2013/14) and accountable to SHA Cluster Boards for the relevant Health Economy delivery and performance in the current system for 2012/13.</p> <p>As a consequence the NHS CB Regional Director for Midlands and East will provide assurance to the SHA Cluster Board that operational delivery</p>

requirements are being met.

4.2 Local Area Teams (LATs)

From the 1st October, the NHS CB Local Area Teams (LATs) Director will be the accountable officer for PCT Clusters and will provide assurance to the NHS CB Regional Directors in respect of 2012/13 commissioning delivery and performance requirements. The LAT will begin to take on the overall management responsibility for the Birmingham and Solihull PCT Cluster and Black Country PCT Cluster combined. This will lead to a period of transfer of responsibilities from the Executive Directors of the Clusters to the LAT Executive Directors. Appointments have now been made to all LAT Executive Director positions, including the accountable officer.

The NHS CB via the Regional Office and specifically LATs, will commission a range of services including primary care, specialised services, immunisation and vaccinations, screening services, children's services from pregnancy to the age of 5. The main focus for the commissioning of local services will remain with the emerging Clinical Commissioning Groups, who will have responsibility for c.£60billion of expenditure across England for 2013/14.

4.3 Clinical Commissioning Groups

Wolverhampton City CCG (WCCCG) has now made all GP Board and Director appointments, including the accountable officer. WCCCG are currently progressing through the CCG authorisation process, including the requirement to provide a portfolio of evidence and an integrated commissioning plan. WCCCG have clarified their four key priorities will be as follows:

- Reducing inequalities
- Long Term Conditions
- Planned care
- Unplanned Care

WCCCG will therefore continue to work in shadow form until the 1st April 2013, whilst awaiting their authorisation agreement and authorisation status. However, the WCCCG is progressively taking responsibility for commissioning and is actively involved in the commissioning and Health Economy discussions with RWT Directors and Senior Management.

To become an authorised CCG WCCCG will need to ensure their organisation is fit for purpose, with effective management structures, systems and processes in place to deliver effective commissioning governance and assurance. The NHS CB Regional Offices will also take on key responsibility

	<p>for CCG authorisation process.</p> <p>This will be delivered with a combination of directly employed staff and 'buying in' services from support organisations. The Birmingham, Black Country and Solihull Commissioning Support Services (CSS) has been set up to provide local CCG's with a range of 'brought in' managed services including Board Assurance Framework, Governance and Accountability Framework, Risk Registers, Contract Management, Themed Reviews and Annual Reports etc.</p>
<p>5</p>	<p>Conclusion</p> <p>The commissioning landscape is becoming more complex and the Trust will build on its existing positive relationships with commissioners over the coming months as the transition to the new commissioning arrangements progresses. During the transitional period between October 2012 and March 2013, commissioning organisations will face significant change delivery and capacity challenges. RWT Directors and Senior Manager recognise the critical importance of maintaining high quality and effective working relationships through this transitional period.</p>