

## REPORT OF DIRECTOR OF COMMISSIONING DEVELOPMENT, NHS NOTTINGHAMSHIRE COUNTY

### CLINICAL COMMISSIONING GROUP AUTHORISATION PROCESS

#### Purpose of the Report

1. Subject to approval of the Health and Social Care Bill, from April 2013, Clinical Commissioning Groups (CCGs) are required to take on the statutory responsibilities for commissioning in the NHS following the dissolution of the Primary Care Trusts (PCTs). This report provides background information on the CCG authorisation process currently being developed to ensure that these new organisations are suitably qualified and competent to take on this role. The report summarises the phases and content of the authorisation process, including information of the key implications for local authorities and Health and Wellbeing Boards (HWB). There are challenging time-frames to ensure CCGs demonstrate they are capable of taking on the role by April 2013; these require consideration to ensure the HWB fulfils its role in the process. Figure One illustrates the key milestones and implications of the authorisation process.

#### Information and Advice

2. Subject to approval of the Health and Social Care Bill, from April 2013, Clinical Commissioning Groups (CCGs) will take on the responsibility for commissioning health care for their local patients that were previously carried out by PCTs. The NHS Commissioning Board (NCB) came into existence in shadow form on 31<sup>st</sup> October 2011. Although it will not take on its full responsibilities until April 2013, through early work within existing NHS structures, it will ensure that the whole of England will be covered by an established CCG by April 2013. In order to make sure that CCGs discharge their duties effectively, the NCB aims to develop an authorisation process to confirm that these new NHS organisations are ready to take on this role (**Appendix 1 - [Developing Clinical Commissioning Groups Towards Authorisation](#)**).
3. The authorisation process is a development process for CCGs and will include four phases. The four phases are:
  - i. Development Phase
  - ii. Application
  - iii. Authorisation Process
  - iv. Annual Review.

**Figure One: CCG Authorisation: Key milestones, timescales and implications for Local Authority and Health and Wellbeing Boards**

<b>Milestone</b>	<b>Critical Deadline</b>	<b>Implications for Local Authority and HWB</b>
<b>Development Phase</b> Risk Assessment of proposed CCG configuration - geography  Risk Assessment of proposed CCG configuration – size / running cost  Self Assessment of development needs	18 October 2011  December 2011  December 2011	Local Authority view obtained on geography of CCGs.  Local Authority & HWB confidence required in proposed CCGs. NB: No organisation can veto a CCGs ambition to continue the development phase.  CCG engagement in HWB required throughout.
<b>Application to NCB</b> Application will cover six domains from self assessment process (see figure 2)  Application process will be managed by SHA clusters until NCB function is established.	From Summer 2012  July-October 2012	CCGs can become authorised and therefore statutory bodies from Summer 2012 but commissioning responsibility independent of PCT cluster will not transfer until April 2013.
<b>Authorisation Process</b> Period of stability for each CCG (ideally 12 months)  Development of CCG commissioning plan that takes JSNA and HWS into account  CCGs take on delegated responsibilities within legislative framework as evidence for authorisation  Plans for provision of non-clinical support for commissioning in place  Granting of authorisation  Outcomes of authorisation	April 2012- Mar 2013*  April 2012*  April 2013*  April 2013*  April 2013*  April 2013*	<b>All CCGs authorised by April 2013</b> Period of stability is critical to authorisation process, therefore CCGs will require Local Authority and HWB to assist their early development e.g. development of Health & Wellbeing Strategy (HWS).  Review of JSNA and development of HWS must be completed by April 2012. HWB involvement in development of CCG commissioning plans recommended.  CCGs will commence delegated responsibility during 2011-12 in advance of authorisation.  CCGs plans may involve provision of commissioning support from local authority, third sector or commercial organisations.  Evidence including 360 degree appraisals required from all partners, including Local Authority, HWB, patients and clinical senates to demonstrate how well CCGs are working with partners.  Potential for CCGs to have differing levels of authorisation & commissioning responsibility leading to complex local arrangements.

\* Early CCG authorisation will bring timescales forward

4. An initial **development phase** will build up the expertise needed to take on the health budget and commissioning role. This is well underway in the six CCGs in the county of Nottinghamshire. This phase also includes CCGs completing a self-assessment between October and December 2011, led through the Strategic Health Authority. The self-assessment will allow CCGs to understand whether their proposed arrangements are likely to meet the requirements set out in the Health and Social Care Bill and also give them the opportunity to identify and start to manage any emerging risks.
5. The next phase is **application**, pending the full establishment of the NCB, CCGs will be able to apply to become fully established and authorised from summer 2012.
6. In the third phase, an **authorisation process** will include submission of evidence to confirm that the CCG can demonstrate the skills, knowledge and structures set out in six domains identified as core requirements for CCGs (see Figure Two). The NCB will review the evidence to assess whether the CCG is ready to take on full or partial commissioning responsibility and what development support is needed to assist them becoming fully authorised.
7. Key statutory requirements for CCGs are detailed in the Health and Social Care Bill and include the need to ensure that CCGs have appropriate governance arrangements and a defined geographic area, ideally within the local authority boundary (**Appendix 2 – [The Likely Legislative Requirements – Technical Appendix 1.](#)**) The CCG must also be able to demonstrate that it can work in partnership with the relevant local authorities and Health and Wellbeing Board, commission emergency care for every person present in their local area and have suitable plans to ensure it can discharge its responsibilities for all patients in their area, irrespective of whether they are registered with a local GP practice.

**Figure Two: Six Domains of Clinical Commissioning Group Authorisations**

- i. A strong clinical and professional focus which brings real added value.
- ii. Meaningful engagements with patients, carers and their communities.
- iii. Clear and credible plans which continue to deliver the QIPP (quality, innovation, productivity and prevention) challenge within financial resources, in line with national outcome standards and local joint health and wellbeing strategies.
- iv. Proper constitutional and governance arrangements, with the capacity and capability to deliver all their duties and responsibilities including financial control as well as effectively commission all the services for which they are responsible.
- v. Collaborative arrangements for commissioning with other Clinical Commissioning Groups, local authorities and the NHS Commissioning Board as well as appropriate external commissioning support.
- vi. Great leaders who individually and collectively can make a real difference.

8. The authorisation process can result in full authorisation, partial authorisation, which applies conditions on the CCG to limit their commissioning responsibility or the

establishment of a shadow CCG, where the NCB discharges its commissioning duties until such a time that the CCG is willing and able to undertake this function.

9. As part of the authorisation process, CCGs will need to demonstrate that they have had a significant period of stability (ideally 12 months) in which to operate prior to authorisation. In order to apply for authorisation from summer 2012, CCGs must, therefore, demonstrate that they have robust commissioning plans in place that take account of the health needs of their local population as soon as possible.
10. The work of the Health and Wellbeing Board, including the refresh of the Joint Strategic Needs Assessment and development of the Health and Wellbeing Strategy will clearly underpin the authorisation process. Consequently, this work will need to run in parallel with the CCG authorisation process due to the required timeline for authorisation. It has therefore, been agreed that CCGs present their draft commissioning plans to the Health and Wellbeing Board between January and March 2012 to meet the requirements of the authorisation process.
11. Local authorities will be involved in the authorisation process, through for example, participation in a 360 degree appraisal for the proposed CCGs. In addition, CCGs will need to develop their own joint working arrangements with local government, working jointly on the development of the Joint Strategic Needs Assessment and Health and Wellbeing Strategy. Attendance and participation in the Health and Wellbeing Board will be critical to the development of these relationships. CCGs will require ongoing public health expertise to develop its commissioning role, engaging in joint health and social care commissioning and maintenance in joint working and appointments.
12. Following authorisation, an **annual assessment** will be undertaken for all CCGs to ensure their continued development to undertaken the required future role.

## **Statutory and Policy Implications**

13. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **RECOMMENDATIONS**

It is recommended that:

- 1) the Health and Wellbeing Board acknowledges the Clinical Commissioning Group authorisation process and the role of local authority and the Health and Wellbeing Board.
- 2) given the role of the Health and Wellbeing Board in the authorisation process, it is recommended that Clinical Commissioning Groups present their emerging commissioning plans for consideration by the Board.

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**For any enquiries about this report please contact:**

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**Constitutional Comments (LMc 05/10/2011)**

14. The Health and Wellbeing Board has the authority to approve the recommendations in the report.

**Financial Comments (RWK 20/10/2011)**

15. None.

**Background Papers**

**Developing the NHS Commissioning Board – Update** - Department of Health – 21<sup>st</sup> October 2011.

**Electoral Division(s) and Member(s) Affected**

All.

HWB20