

**PRACTICE BASED COMMISSIONING GOVERNANCE REVIEW
INCLUDING TERMS OF REFERENCE FOR THE PROFESSIONAL
EXECUTIVE COMMITTEE AND PRACTICE BASED COMMISSIONING
SUB-COMMITTEE**

Presenter at Board meeting: Andrew Parker

Purpose of Paper:

This paper presents the findings of a review of governance arrangements for Practice Based Commissioning and makes recommendations for change. These changes include the roles and responsibilities of the PEC and the PBC Governance Sub-Committee and the revised Terms of Reference are attached for approval.

Assurance Framework Objective:

3.2 Facilitating and Supporting the Development of Practice Based Commissioning.

Action Required by Board:

The Board is asked to:

- 1) Note the outcomes of the PBC Review
- 2) Approve the recommendations of the Review
- 3) Approve the Terms of Reference of the PBC Governance sub-committee
- 4) Approve the Terms of Reference of the PEC

Public Engagement: Patient and Public Involvement Forum Representation on the PBC Governance sub-committee.

Ginny Snaith
Assistant Director of Integrated Governance
November 2007

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upon request.**

PBC Governance Review

1. Context

When the PCT Committee structure was established, it was agreed that the committee Terms of Reference would be reviewed in 6 months. Due to the rapid development of Practice Based Commissioning during its early stages it made sense to combine this review with a broader review of the governance systems to support PBC. This review was carried out concurrently with a review of the PEC. This paper presents the output of both those reviews and details a framework for the governance of PBC. The recommendations are in line with national guidance Practice Based Commissioning – Practical Implementation. This states that

“ The overall aim of governance and accountability, as it relates to PBC, is to balance public accountability for the effective use of tax-payers funds with the minimum bureaucracy for practices and maximum freedom for clinicians to innovate to deliver real improvements for patients”

The PCTs aim is to support PBC by providing an over-arching structure which facilitates the process of change and promotes innovation in service delivery. The PBC Support Team led by the two Assistant Directors of Locality Commissioning has been established and is linking closely with PBC Localities to provide support and advice. Mechanisms for commissioning plans and commissioning case for change approval are in place and work is already underway to implement some commissioning cases for change.

The review was carried out by:

- § Discussions with key individuals
- § Questionnaires to those involved in PBC
- § Review of the minutes and paperwork of the PBC Governance Committee

2. Main findings

- § PBC Support Team providing a high level of support and advice but it is difficult to get engagement from other PCT staff. It appears that increased resource is required.
- § Commissioning case for change approval process felt to be bureaucratic by PBC localities but actually not very robust.
- § Some joint working between localities but not all opportunities fully utilised
- § PBC Governance Committee well attended but agendas are often rushed and relationship with PEC not clear
- § PBC process has very little direction – commissioning cases for change produced on ad-hoc basis.
- § System for ongoing monitoring of commissioning cases for change not fully implemented
- § Very little attention paid to clinical governance.
- § Clarity required on procurement process

- § Provision of activity and finance information to PBC clusters has improved greatly recently but is still poor
- § PBC Governance Committee needs to develop mechanisms for monitoring budgets and correcting poor performance.
- § PPI engagement in PBC Governance in place but more support required as the is a complex area
- § Conflict of interests can cause problems for some members.
- § Need clarity on processes around premises development and the use of freed up resources.
- § Need to develop clarity on practices contracting with themselves to provide services.

3. Internal Audit

During the review process, an Internal Audit of arrangements for PBC was carried out within the PCTs. This Audit concluded that the control framework for PBC provided adequate assurance.

The report made 4 significant recommendations and identified 5 which merited attention. These recommendations are:

- The PCT should ensure that a business case approval form is completed for all business cases submitted for approval (significant)
- The method by which PCTs and practices will review patient activity data should be agreed and fully implemented and a further date identified for its review. Full patient activity data validation by practices should be encouraged to ensure consistency of approach for validation and best practice. Once the process is fully implemented, and training has been provided, the PCT should seek assurance that practices are validating activity data. (significant)
- As part of the business case approval process the committee should agree the process of monitoring expenditure and the achievement of savings (significant)
- Regular budget statements should be provided to PBC Leads and Locality Groups as a means of ensuring practices and locality groups can monitor their expenditure in a timely manner and fully engage with PBC (significant)
- Practices that have not signed up to the PBC LES should be further encouraged to sign up to the LES for PBC (Merits Attention)
- All PBC LES signature sheets should be forwarded to the Primary Care Admin Co-ordinator in a timely manner and kept centrally to ensure they are appropriately maintained (Merits Attention)

- A review of the PCTs Local Dispute Resolution Procedure should take place and the outputs of which be formally endorsed by the Joint PEC (Merits Attention)
- Management need to ensure that sound arrangements are in place to ensure that if some or all tasks within the PBC Governance Action Plan are not delivered, that appropriate reporting of this is undertaken to the PBC Governance Committee and the Board (Merits Attention)
- Training on the HIDAS Information system should be provided to practices within the Hertsmere locality to ensure staff within the practices are familiar with techniques for data validation (Merits Attention)

4. Recommendations for change

- 4.1** The process for approving commissioning cases for change needs to be made more robust and needs to have active support from a wider range of PCT staff and functions. Paperwork to support the new process is set out at Appendix 1
- 4.2** The relationship between the PBC Governance Committee and the PEC needs to be clarified with PEC taking on a greater responsibility for the development of PBC. This new relationship is set out in Appendix 2
- 4.3** The Terms of Reference of the PBC Governance Committee need to be revised to take into consideration these changes (Appendix 3)
- 4.4** The Terms of Reference of the PEC need to be revised to take into consideration these changes (Appendix 4)

5 Future agenda items for PBC Committee

In addition to the changes outlined above the PBC sub-committee should ensure consideration of the issues below during the next year.

- § Ensure full review of LES to ensure that PBC clusters continue to perform at appropriate level and the development of key indicators for future monitoring.
- § Undertake review against PBC Self-Assessment Framework (Improvement Foundation) on annual basis.
- § Local guidance to be produced on procurement process
- § Actions to be undertaken in line with SHA PBC review
- § Revise scheme of delegation to reflect changes
- § Develop support for PPI input to PBC Governance
- § Develop clarity on practices contracting with themselves to provide services

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Appendix 1**Commissioning case for change approval process**

The commissioning case for change approval process aims to ensure that the PCT provides full support to the production of commissioning cases for change and that opportunities for joint working are fully utilised.

The PBC Support Team will co-ordinate support from the PCT. Ideally this will mean that a variety of individuals from the PCT are involved in the whole planning process. At a minimum, the Commissioning case for change Support Questionnaire must be completed before the case is considered at the PBC Governance sub-committee.

Mental Health / Learning Disability / Substance Misuse / Children (including Child and Adolescent Mental Health) proposals need to have close involvement of the relevant joint commissioning team manager to ensure proposed changes/services fit with the Health/ Herts County Council strategy. Cases may be approved through this process and then will be referred to the JCPB/CYPPB for decision making.

Proposals including the use of freed up resources for premises development must be submitted to the technical group for approval.

The PBC Support Teams for East & North and West Herts will also liaise with each other to ensure that proposals are shared between localities and implemented as widely as possible. This will be supported by the Service Redesign ADs and Managers

All commissioning cases for change must be received by the relevant Locality Assistant Director at least 10 working days before the sub-committee

A representative from the PBC locality must attend the PBC Governance sub-Committee to present that commissioning case for change and answer questions

If there is insufficient information, the case must come back to the committee. Cases should not be signed off "subject to"

PBC Governance sub-committee must consider the commissioning case for change and the Commissioning case for change Support Questionnaire. Minutes must clearly indicate that all risks have been considered. The sub-committee must be satisfied that:

- The case for change will support the Acute Services Review
- The case for change will improve the quality of patient care
- The case for change will provide Value for money
- The case for change has strong clinical engagement

Cases requiring transfers of funds greater than £(??Board to decide??) should be given approval in principle and referred to the PEC for final decision making.

The sub-committee will complete the approval form to provide feedback to the cluster and ensure appropriate monitoring is in place. A database will continue to be used to co-ordinate this process. Monitoring will take place within 6 months. If approval is given, it must be made clear who has authority to sign contracts, up to what level and what recommendations are needed from the Governance sub-Committee.

If the commissioning case for change is not approved, they may be re-submitted with additional info if required. If agreement cannot be reached, the PEC will be asked to make a final decision.

In line with national guidance, Commissioning cases for change must include the following:

- § Evidence based clinical effectiveness
- § Strategic fit with national and local priorities
- § Governance arrangements
- § Contribution to national and local targets
- § Assessment of potential discrimination on all population groups
- § Patient / public support
- § Stakeholder support from all organisations involved.
- § Justification/evidence that resources can be released through the substitution of care
- § Affordability within the current and projected indicative budgets
- § Assessment of the impact on current service providers
- § Value for money
- § Benefits for patients (quality standards)
- § Proposed procurement route
- § Risk assessment and controls
- § Timescales for implementation
- § Sensitivity analysis
- § Proposals for the use of freed up resources
- § Process for accreditation of potential providers

The PBC Support Team must ensure that all the above is included and the Commissioning case for change Support Form completed before the Commissioning case for change is submitted for approval

Commissioning case for change support form

This form must be completed and accompany all cases submitted to the PBC Governance sub-Committee

- Is this project:
- 1 Spend to save
 - 1 Disinvestment and reinvestment in another service
 - 1 New investment

Additional information may be attached if required

Supported by	Issues considered	Signature & Date
Acute Commissioning	How much budget will need to be transferred ? From which budget ? Does the relevant Acute Trust recognise and accept the loss of income ? Will this commissioning case for change support the delivery of ASR trajectories ?	
Finance	Are the financial plans correct ? Has appropriate activity data been used ? Does the proposal offer value for money ? Is the sensitivity analysis correct ?	
Public Health	Will this proposal reduce health inequalities ? Will this proposal improve equity of access ? Will this proposal meet identified health need ? Will the suggested clinical pathway lead to the suggested benefits ? Is the proposal based on evidence of good practice ? Will the proposal improve the quality of patient experience.?	
Corporate Services	Does the proposal have stakeholder support ? Have risks been adequately identified and addressed ? Does proposal comply with Standards for Better Health ? Do the proposals comply with Standing Financial Instructions and other relevant procurement rules	

**Commissioning case for change approval form
(to be completed for all cases considered by the PBC Governance sub-committee)**

Case Ref number	0001/07	
Case Title	<i>Eg. Proposal to establish new diabetes service</i>	
Submitted by		
PBC sub-committee date	<i>Xx/xx/xxxx</i>	
Status	APPROVED / INFORMATION REQUIRED /REJECTED	
Reasons for rejection		
Further information required	<i>e.g. Timetable for implementation</i>	<i>Date</i>
Activity data required	<i>e.g. numbers of patients seen</i>	<i>Date</i>
Outcomes data required	<i>e.g. number of referrals to other services</i>	<i>Date</i>
Other monitoring data required	<i>e.g. evidence of patient satisfaction</i>	<i>Date</i>
Review arrangements		
Procurement route agreed		
Additional Comments		

Appendix 2**Relationship between PEC and PBC sub-committee**

The PBC Committee will become a subcommittee of the PEC. It will act as the governance arm of the PEC to monitor PBC arrangements.

Commissioning plans will be produced for a 3-5 year period and revised annually. These commissioning plans will be signed off at a joint meeting of the PEC and PBC Committee.

By developing the “bigger picture” for PBC the PEC will:

- § take responsibility for ensuring that PBC Commissioning Plans form the basis of the PCT Commissioning Plans
- § set a direction for PBC and steer developments
- § encourage the production of commissioning cases for change to address priority areas
- § ensure that clusters work jointly wherever possible.

The PEC will form a Clinical Governance sub- Committee to ensure appropriate arrangements are in place within PBC and the wider primary care. This committee will focus on Commissioning and Primary Care and will be separate from arrangements in Provider Services. The PEC will also appoint leads for Clinical Governance from its membership.

The PEC will need to agree a process and ensure that arrangements are in place to performance manage practices which decide not to engage in PBC