

**NHS**  
**East of England**  
Strategic Leadership for your local NHS

**PBC Network**

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Deputy Director of Commissioning  
10 April 2008

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**Contents**

- What do we mean by 'Commissioning'?
- So what's 'World Class Commissioning'?
- And how does 'System Management' fit in?

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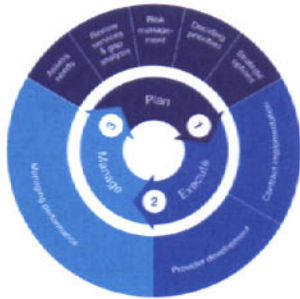
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Much, much more than just purchasing....



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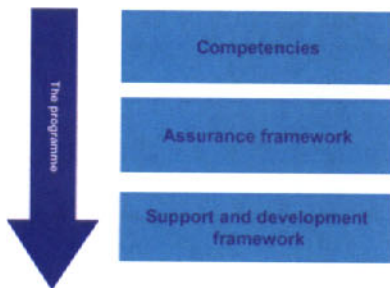
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What is World Class Commissioning?



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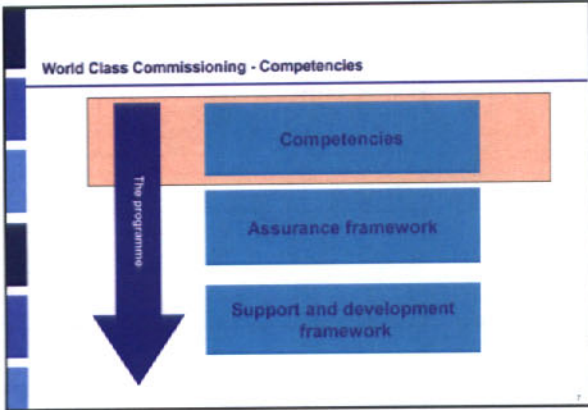
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- The competencies (1/2)**
1. Are recognised as the **local leader** of the NHS
  2. Work **collaboratively with community partners** to commission services that **optimise health gains** and reductions in health inequalities
  3. Proactively seek and build continuous and **meaningful engagement with the public and patients**, to shape services and improve health
  4. Lead continuous and **meaningful engagement with clinicians** to inform strategy and drive quality, service design and resource utilisation
  5. **Manage knowledge** and undertake robust and **regular needs assessments** that establish a full understanding of current and future local health needs and requirements

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- The competencies (2/2)**
6. **Prioritise investment** according to local needs, service requirements and the values of the NHS
  7. Effectively **stimulate the market** to meet demand and secure required clinical and health and well-being outcomes
  8. Promote and specify continuous improvements in **quality and outcomes** through clinical and provider innovation and configuration
  9. Secure **procurement skills** that ensure robust and viable contracts
  10. Effectively manage systems and work in partnership with providers to ensure contract compliance and **continuous improvements in quality and outcomes**
  11. Make **sound financial investments** to ensure sustainable delivery of priority outcomes

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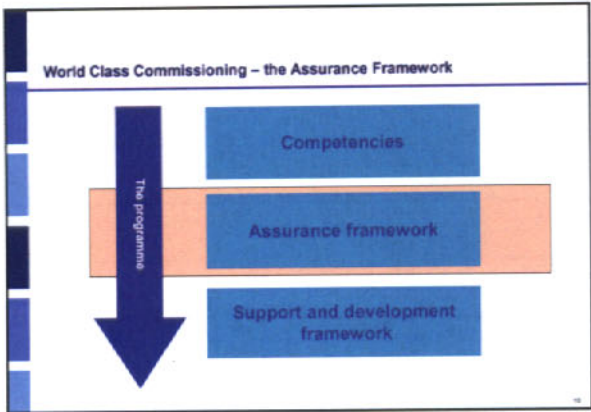
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### WCC – the Assurance Framework

Intention is to formally assess PCTs across three domains:

- 1. High quality and outcomes:** has the PCT improved on their key outcome priorities?
- 2. Competencies:** how far has the PCT developed best practice in commissioning?
- 3. Governance:** has the Board developed a meaningful strategy supported by a robust financial plan?

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### WCC Assurance Framework – the broad approach

	1 Health outcomes and quality	2 Competencies	3 Governance
<b>Content</b>	<ul style="list-style-type: none"> <li>Measures health gain quality in health care and assigns ratings based on ability to deliver key health outcomes and services</li> <li>Public confidence</li> <li>Patient outcomes and satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Measures evidence that identifies the extent to which the commissioner possesses the core competencies associated with World Class Commissioners</li> <li>Measures system and market management capabilities</li> </ul>	<ul style="list-style-type: none"> <li>Current and forward looking review of board controls and processes, strategy and long term financial controls</li> </ul>
<b>Nature</b>	<ul style="list-style-type: none"> <li>Focus on improvement</li> </ul>	<ul style="list-style-type: none"> <li>Focus on improvement</li> </ul>	<ul style="list-style-type: none"> <li>Maintain standards</li> </ul>
<b>Methodology</b>	<ul style="list-style-type: none"> <li>ShA Assessment</li> <li>Absolute performance against core outcomes, local stretch improvement targets</li> <li>Improvement against outcomes</li> <li>Peer review</li> </ul>	<ul style="list-style-type: none"> <li>ShA Assessment</li> <li>Scoring against degrees of best practice</li> <li>Self assessment</li> <li>Peer-to-peer review</li> </ul>	<ul style="list-style-type: none"> <li>ShA Assessment</li> <li>Self-certification</li> <li>Direct review</li> <li>Peer review</li> </ul>
<b>Frequency</b>	<ul style="list-style-type: none"> <li>Baseline assessment every 3 years, with annual review</li> </ul>	<ul style="list-style-type: none"> <li>Baseline assessment every 3 years, with annual review</li> <li>Interim monitoring as appropriate</li> </ul>	<ul style="list-style-type: none"> <li>Baseline assessment every 3 years, with annual review</li> <li>Interim monitoring as appropriate</li> </ul>
<b>Rating</b>			

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WCC – Assurance Framework methods	
	Description
• 360 feedback	<ul style="list-style-type: none"> <li>- Specific questions posed to individuals within organisations in regular contact with the PCT, e.g., local authorities, providers, through an online questionnaire</li> <li>- Responses weighted according to the level of exposure the organisation has had, e.g. limited or extensive, and the breadth of their experience</li> <li>- Findings used as a reference to support assessment by providing insight into PCT strengths and weaknesses</li> </ul>
• Metrics	<ul style="list-style-type: none"> <li>- Data driven assessment of specific measures, e.g., clinical outcomes, patient surveys, financial balances</li> <li>- SW-led desk based process involving data collection from various sources, and analysis</li> <li>- Findings are expressed as numeric figures</li> </ul>
• Self assessment	<ul style="list-style-type: none"> <li>- Review of assessment domains, supporting evidence and proposed rating</li> <li>- Findings expressed as rating according to specified guidelines or commentary</li> <li>- Signed off by PCT executive team / board</li> </ul>
• Panel review	<ul style="list-style-type: none"> <li>- Review and challenge of all of the assessment areas above, supporting evidence and interviews with key members of staff</li> <li>- Panel of 3-4 experienced panel members</li> <li>- Findings expressed as rating according to specified guidelines or commentary</li> </ul>

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WCC – assessing outcomes	
<b>Vital Signs</b> 1: Better health and well-being for all Help improve every citizen's overall health, life-expectancy and emotional well-being Help improve citizen's quality of life Help the most vulnerable achieve their aspirations, building a fairer society 2: Better care for all Improve the safety, cleanliness and delivery of optimum care Make services more personal Improve experience for patients, users and carers 3: Better value for all Ensure an effective system Secure long-term sustainability	
	<ul style="list-style-type: none"> <li>• PCTs will choose 10-15 measures from the "Vital Signs" that are consistent with their strategic objectives</li> <li>• For each measure, absolute performance, ranking and the UK average / upper quartile will all be indicated</li> <li>• For each measure there will also be a rating that takes into account the PCT's starting point, and quantifies improvement</li> </ul>

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WCC – assessing competencies		
	Methodology if assessed	
8. Promotes and specifies continuous improvements in quality and outcomes through clinical and provider innovation and configuration	<b>Input –</b> Do you have the talent skills and data? External partner relations, incl. business to business communication, engagement, influencing and negotiation Effective quality and outcome metrics Communication Innovation, incl. systematic use of benchmarking, problem solving, idea development Identification of improvement opportunities	Self assess panel review Metrics Self assess panel review Self assess panel review Self assess panel review Self assess panel review
	<b>Process –</b> Do you have the processes in place? Disseminate information to staff and contractors that provides sufficient foundation for innovative service design Collection of real time quality and outcome information Create formal procedures for innovation development, including inter-organisational exercises where appropriate Implementation of improvement measures	Self assess panel review Self assess panel review Memo Self assess panel review Self assess panel review
	<b>Outputs –</b> Is there evidence that you have achieved this? Seen as a proactive leader of best practice sharing across the HSC and local community Established local best practice and innovation networks Best practice and innovation information database Demonstrated commitment to quality and continuous	360 feedback Self assess panel review Self assess panel review Self assess

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## WCC – assessing governance

Governance: the assessment will address three areas

	Content	Methodology for assessment
1. Strategy: Is there a coherent strategy in place that will deliver quality and health outcomes?	<ul style="list-style-type: none"> <li>Strategic plan</li> <li>Evidence of board challenge on Strategic plan</li> <li>Track record of performance against objectives / milestones</li> </ul>	<ul style="list-style-type: none"> <li>Panel review of Strategic plan</li> </ul>
2. Finance: Is the strategy underpinned by a long term financial plan?	<ul style="list-style-type: none"> <li>Long term financial plan</li> <li>Long term investment / divestment decisions</li> <li>Evidence of board challenge on Financial plan</li> <li>Track record of financial management (i.e. minimal deviation from plan)</li> </ul>	<ul style="list-style-type: none"> <li>Panel review of Financial plan</li> </ul>
3. Board: Does the organisation have controls in place to know what is going on?	<ul style="list-style-type: none"> <li>Assurance controls and processes (e.g. risk management)</li> <li>Information management</li> <li>Governance of delegated authority and partnerships</li> <li>Development plan in place</li> <li>Organisation structure and personnel, responsible board with relevant expertise</li> <li>Culture of the organisation</li> </ul>	<ul style="list-style-type: none"> <li>Board self certification</li> <li>Panel review to verify statements</li> </ul>

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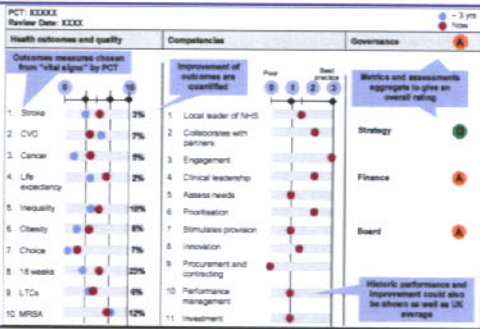
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## World Class Commissioning - possible assurance output for a PCT




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## World Class Commissioning – Assurance Framework Timetable

- Dec 07 to Feb 08 – test and pilot process
- Mar to Sep 08 – develop detailed tools and roll out plans
- Sep 08 to Mar 09 – implement 1<sup>st</sup> cycle of reviews
- Intention is that full review is undertaken every three years, with an annual refresh

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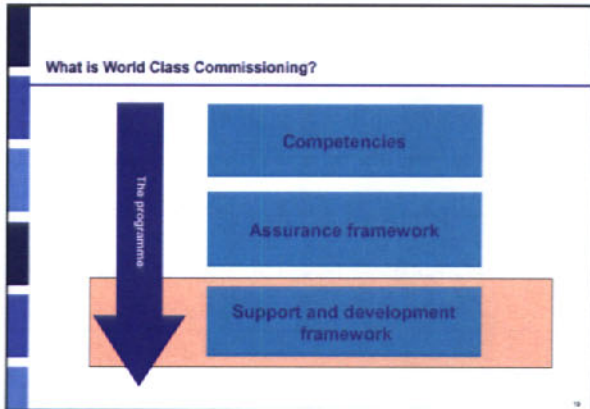
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- ### WCC – the development framework
- The least developed strand of the work at this point
  - Assurance system will highlight areas that require development
  - Developed at three levels:
    - National – leadership, strategy, technical competencies, PCT exemplars, learning networks
    - EoE – strategic planning
    - PCT – locally determined

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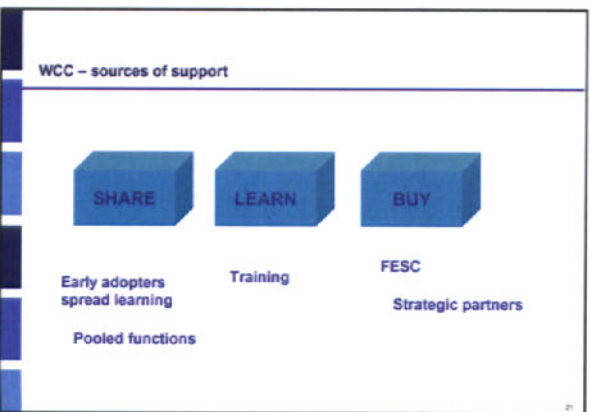
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**System management – what is it?**

- **Building the system**
  - Roll out of PBC
  - Choice
  - Moving to FT status
- **Ensuring coherence**
  - Policies aligned
- **Ensuring patient interest is paramount**
  - Monopolies
  - Collusion

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**System management – why do we need it?**

Its how the SHA, PCTs and PBC groups will run a system in an era of:

- Increased patient choice
- More information on performance and outcomes
- Diverse providers (including independent providers)
- Legally binding contracts

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**System management – what are the 'products'?**

- 11 Principles of competition and co-operation
- Standard NHS contracts
- Independent competition panel
- Promotion guide
- Procurement guide
- Advice on mergers and acquisitions

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**System management – an example**

A PBC group decides to provide all dermatology services through a community-based facility run by a private limited company, whose ownership includes GPs. They have given contractual notice to the local FT that they intend to withdraw the service. All patients requiring dermatology opinions and treatment will be referred to the new provider.

**QUESTION**  
Is this acceptable?

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**System management – an example**

PCTs are required to introduce choice of treatment, setting and provider for all patients with LTCs. Currently diabetes services are provided by the local NHS Trust and PCT direct provision. The local Diabetes UK group have been highly critical of the unresponsiveness of existing services. The PCT decides to provide a re-designed service through its own direct services. The Trust and an independent primary care provider each complain that the service should have been tendered openly. The PCT responds that (a) it decides what is tendered; and it doesn't need 'approval' from anyone else (b) the 'rules' say that only completely new services have to be tendered; (c) its own services provide 'reasonable vfm'

**QUESTION**  
Are the complaints warranted?

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