

Kent Health and Wellbeing Board Merger Discussion Pack

NHS Ashford Clinical Commissioning Group

NHS Canterbury and Coastal Clinical Commissioning Group

July 2014

Project background

Ashford and Canterbury and Coastal CCGs share a joint leadership team and over the past 17 months have developed close working relationships and resources on shared projects. Their emerging business strategies, governance and ways of working are very similar.

Over the last year the Operational Leadership Team have begun to make assumptions about the benefits of a possible merger and wanted to explore this further.

Following positive discussions at Governing Body level, the member practices agreed to explore a merger between the two CCGs ahead of a formal vote on this in July 2014.

This document is intended to update the Health and Wellbeing board on the status of the project.

Four elements of this are explored in this pack:

1. Benefits of merging
2. Financial case for merging
3. Proposed merged organisational design
4. Frequently asked questions

Three key benefits of merging

1. Stronger clinical input

- At the moment the two CCGs are finding it difficult to fill all clinical lead positions
- There is currently duplication of effort between Ashford's and C&C's clinical leads
- A merged CCG will enable the CCGs to fulfil all clinical lead positions and give clinical leads more time to focus on our most important issues.

1. Merged CCG leadership and commissioning teams would operate more efficiently and improve focus on delivery

- Leadership time is currently too heavily weighted on running and administering two sets of the same meetings
- Currently two teams could work on the same project even though the end goals are the same
- A merged CCG will allow our leadership and commissioning teams to spend more time on project delivery and communicating with our member practices.

1. Future financial risks would be mitigated

- All CCGs have been asked to make 10% internal cost savings in 2015 and the merger will allow us to do this whilst increasing our focus on our localities and member practices
- A merged CCG would help both CCGs manage the risks associated with their commissioning budgets and targets

Benefits of merging: further points

- Care closer to home and work to take place at a very local level
 - staff will be re aligned to community networks as part of internal re-organisation which will transform local health and social care services
- Increased commissioning power
 - e.g. one larger CCG has more leverage over its providers than a smaller CCG
- Improvements for providers
 - as less of their time will need to be focused on meetings with two sets of commissioners.
- Enable delivery of Kent Health and Wellbeing board strategy
 - Management time will be freed up to help focus on delivery and provide a single point of contact for our partner organisations.

Financial case for merging

- It is estimated that merging presents opportunities to better manage the corporate budget - this will prove very difficult to achieve if the status quo is maintained.
- Increases in costs expected as a result of a merger are expected to be nil.
- The estimated, anticipated savings in terms of cash and resource are as follows:

| Cash Saving Description | £'000 |
|--------------------------------|------------|
| Clinical Input | 121 |
| Internal Audit | 40 |
| External Audit | 50 |
| External Commissioning Support | 320 |
| Total | 531 |

| Resource Saving Description | Whole Time Equivalent | £'000 |
|---------------------------------------|-----------------------|------------|
| Executive team | 0.93 | 104 |
| Commissioning team shared posts | 0.66 | 43 |
| Commissioning team CCG specific posts | 0.26 | 11 |
| Finance team | 1.94 | 44 |
| Health economy as a whole | 0.54 | 29 |
| Total | 4.33 | 231 |

Proposed organisational design: overview

- Staff will be allocated across across key strategic projects e.g. Community Networks and Integrated Urgent Care Centre.
- The merged CCG will additionally implement three localities instead of the current two to increase locality focus i.e. 1 x Ashford and 2 x Canterbury localities.
- Each locality will have a named lead to pick up local issues and drive change at a local level.
- The named lead will dedicate an agreed % of their time to the project and the locality to which they are allocated
- This will help to flesh out locally designed plans and help bring these to fruition.
- **The current preference is to keep two local health and wellbeing boards to maintain a local focus. However it would be useful to understand the Kent HWB view on this.**

Frequently asked questions

| Question | Response |
|---|--|
| 1) Is the merger a done deal? | No. At the moment we are exploring the possibility of a merger. We need to ensure any benefits would clearly outweigh any potential drawbacks and that our practices are supportive of the idea. Only then will we 'officially' progress the merger with NHS England. NHS England has the final say as to whether a merger could go ahead. |
| 2) What about merging with other CCGs? Why just NHS Ashford CCG and NHS Canterbury and Coastal CCG? | <p>NHS Ashford CCG and NHS Canterbury and Coastal CCG are closely aligned organisations which already share an Operational Leadership Team (OLT) and some CCG staff. The OLT felt it natural that in the first instance any exploration of a merger would be between these two organisations.</p> <p>As part of our engagement work we will speak to our neighbouring CCGs to make them aware of the potential plans. We think it's unlikely that any other CCG will want to look at a possible merger. If they do express an interest, we will of course take this into account and make all the relevant parties aware.</p> |
| 3) What would happen if the CCGs continue as separate organisations? | <p>We are certain that we will all be facing financial pressures over the coming years. We are already aware that we have been asked to make a 10 per cent internal cost saving next year. It seems sensible to take a proactive approach to mitigating any potential issues or difficulties now, rather than waiting for them to happen.</p> <p>We believe a merger will help to protect the long-term future of our CCGs as the organisations responsible for planning and paying for the majority of people's healthcare. If we are able to reduce the amount of duplication we will be able to focus more on the delivery of our commissioning intentions which will further help to sustain the organisation.</p> |
| 4) If we did merge, how would we retain a sense of localism? | If the merger goes ahead we believe it will allow us more time to focus on our overarching plans to develop community networks. We envisage the networks being based around natural communities with GP practices as the cornerstone. The proposed locality structure detailed earlier in this document will also ensure staff are focused on moving forward locally-seeded ideas. |