

CLINICAL COMMISSIONING ROLES OF FEDERATIONS

MEMORANDUM OF UNDERSTANDING

July 2012 to March 2013

1 PURPOSE OF THE MEMORANDUM

- 1.1 This document sets out the agreement between the Somerset Clinical Commissioning Group (CCG) and the nine Somerset Federations. It details a range of *core* (main) roles and functions on which Federations have agreed to base their commissioning activities as part of Clinical Commissioning in Somerset. In the context of this document the term Federation is given to mean Commissioning Federation and not include a provider role.
- 1.2 The Memorandum describes a two way process between Federations and the CCG which seeks to:
 - a) achieve a balance between supporting Federations to have local freedom to choose the improvement projects that they will focus on
 - b) enable the CCG to consult with the federations about local and county-wide commissioning matters
 - c) to build in opportunities for the CCG to ask Federations to support issues affecting the wider NHS across Somerset
- 1.3 The Memorandum also seeks to strike a balance between clinical and operational freedom in the use of the allocated resources and an appropriate level of accountability.
- 1.4 The document is intended to be read and understood by a wide range of parties including members of the public, patients, clinical staff and NHS managers. It attempts to be presented in plain English and to avoid clinical or managerial jargon and be publicly available on the CCG's website.
- 1.5 The CCG welcomes comments about any aspect of the agreement. Contact details are provided at the end of the document.
- 1.6 This initial version of the agreement was drawn together following feedback and discussion with Federation members, other providers of NHS care and patient group representatives.
- 1.7 The content of the document is provided under the following headings:

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2 STATUS OF THE MEMORANDUM

- 2.1 The Memorandum is a voluntary agreement between the CCG and Federations, because in relation to their commissioning influences, Federations are themselves voluntary collaborative groups.
- 2.2 The Memorandum is expected to be developed and updated as the new NHS structures evolve, the CCG's Constitution develops and in response to Federations' developing contribution to clinical commissioning.
- 2.3 The Memorandum influences the CCG's Constitution, which is a document defining how the CCG will carry out its statutory functions. The Constitution acknowledges Federations as the local voluntary bodies through which the CCG works to ensure its plans and priorities are influenced by and relevant to the various local contexts of Somerset.

3 REVIEW OF MEMORANDUM

- 3.1 The CCG will facilitate the first review of the Memorandum by key parties during December 2012 and draw up a version to take forward into 2013/14.

4 FEDERATIONS

- 4.1 The definition of a Federation proposed by the CCG's Clinical Operations Group is,

'a group of GP practices who have agreed to work collaboratively, for the benefit of the patients, the local population, local health services and the wider NHS'.

Members of Federations currently include GPs, Practice Managers, Practice Nurses, Administrators, Patient Group Representatives and other parties as agreed by the individual Federations.

- 4.2 There are 9 Federations of different sizes and patient populations as detailed in Figure 1 and Table 2:

Figure 1: Map of Somerset Federations

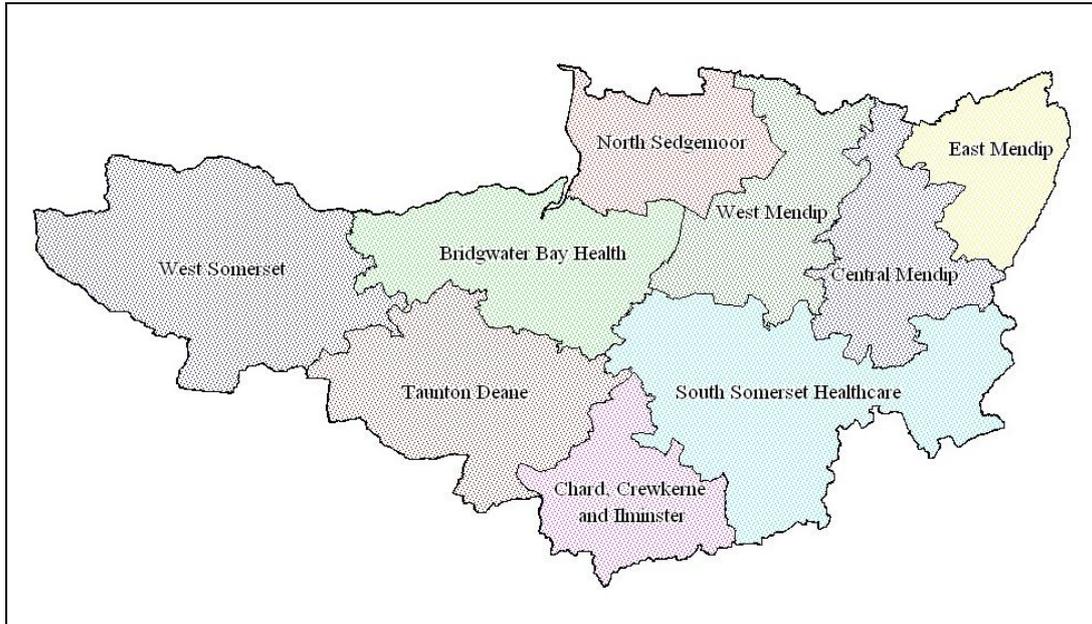


Table 2: Federations by member practices and population served (as of 1 April 2012)

Federation	Number of practices	Males	Females	Total	% Population
Taunton Deane General Practice Federation	15	56326	58472	114798	21%
South Somerset Healthcare	17	53568	55854	109422	20%
Bridgwater Bay Health	11	40402	40942	81344	15%
West Mendip	6	24320	24939	49259	9%
North Sedgemoor	5	23560	24265	47825	9%
Chard Crewkerne & Ilminster	8	22692	23420	46112	8%
East Mendip	3	21121	21502	42623	8%
Central Mendip	5	14799	14928	29727	5%
West Somerset	6	11207	12011	23218	4%
Total	76	267995	276333	544328	100%

- 4.3 The agreed range of core roles and functions of Federations are detailed in Table 3.
- 4.4 These reflect a variety of ways in which Federations can help improve the NHS and are considered by the CCG to be a good use of the public resources afforded to them.
- 4.5 As detailed later, it is intended that Federations select one or more improvement projects associated with the broader list of core functions in consultation with the CCG.
- 4.6 The core roles and functions should not be considered finite and both the CCG and Federations agree to reasonably consider responding to other issues, as they arise, which would be most effectively approached at a Federation level or through joint working between the CCG and the Federation.

Table 3: Core roles and functions of Federations

Core Roles and Functions of Federations	
1	<p>Local intelligence</p> <p>To improve local health services, Federations need to understand the health and health service needs of the locality and use these to develop local action plans or to inform the CCG. To support this role, a Federation would for example acquire a reasonable understanding of:</p> <ul style="list-style-type: none"> • the health needs and priorities of the local population • what is considered important to patients and the public. For example through communication with Patient Participation Groups and other patient Forums • what local clinicians are saying about how the local NHS needs to improve • what services exist at a local level • potential service gaps • opportunities to improve the local NHS or the health and wellbeing of local people • Use of the GP dashboard and other sources of data
2	<p>Promote patient involvement and ownership of their health and treatment plans</p> <p>Federations provide a unique opportunity, through collective action, to maximise the number of patients in the locality who actively contribute to maintaining their own health and wellbeing, and who are involved and at the centre of developing and realising their care or treatment plans. To support this role Federations would for example:</p> <ul style="list-style-type: none"> • contribute to, take part in, or organise local events by NHS and non-NHS services which provide essential public health or service information to the local public • support plans which promote best practice in personalised care planning across the locality • support patients to be involved in decision making
3	<p>Use and promotion of local services</p> <p>Federations have an important role to play in ensuring that the local services that already exist are promoted and used to full effect. To support this role Federations would for example:</p> <ul style="list-style-type: none"> • have an adequate knowledge of the NHS and non-NHS services available in the locality • where required, promote and raise the profile of local services to clinicians and patients to ensure that the services that are in place are used as fully as possible • identify areas for improvement (for example service duplication, better use of NHS resources) and raise these with the respective provider or commissioning body as appropriate

Core Roles and Functions of Federations

4 Communication

Federations play an important role in supporting communication between the CCG and its member practices. To support this role Federations would for example:

- act as a conduit for two way communication between the Federations and CCG by relaying to practices and other agencies, requests for practice views and relevant information and decisions by the CCG
- facilitate the engagement of all relevant staff within the member practices to include Practice Nurses, Practice Managers and Administrators
- communicate views and issues of local importance to the CCG as is appropriate
- liaise with the CCG's Communications Team prior to issuing any public statements to the media

It is acknowledged that in some instances, for example in accordance with the CCG's Constitution, the CCG may communicate with member practices directly.

5 Leadership

Federations have a local leadership role in advocating for the health needs of a locality. As with any other leadership role within the NHS, Federations agree to conduct the business of the Federations in ways which:

- positively promote the NHS and foster public confidence in the NHS.
- show excellence in the use of the public resources
- apply the Nolan principles, included as Annex 1
- help to build constructive relationships between partner agencies to resolve problems and resolve conflict with the support of the CCG as required
- become known and respected as an effective local voice of the NHS

6 Strike a balance between local and countywide issues

Federations have an important role in helping to achieve a balance between the needs of their locality and the needs of the wider NHS. To support this role Federations would for example:

- contribute to strategic planning by the CCG, through both formal and ad-hoc means, to ensure that plans are as relevant as possible to the local context
- advocate, via the CCG or other appropriate body, for the improvement of health services in the locality
- support the CCG to implement national policies, to achieve national standards, realise strategic plans or implement changes to clinical pathways

Core Roles and Functions of Federations

7 Develop relationships with other organisations as a basis for service improvement

The improvement of healthcare services often requires collaboration with other organisations and Federations have an important role to play in facilitating joint working. To support this role Federations would for example:

- form positive and constructive relationships with other NHS and non-NHS services, including District Councils, voluntary organisations and local patient groups
- seek local solutions or improvements to local services with relevant parties provided these do not have a material impact on the contract or agreements already agreed by the CCG or introduce unplanned inequitable service characteristics when compared to other areas.

8 Improve the quality of primary care

As a requirement of the Health and Social Care Act 2012, the National Commissioning Board (NCB) will hold and manage contracts with GP practices in respect of the General Medical Services they provide. An important component of the NCB's contract management role will be to ensure continual improvement in the quality of primary care services. CCGs are expected to support the NCB in this role, as defined in the Act and the CCG's Constitution. CCG's may be expected to manage Local Enhanced Service agreements with GP practices.

Federations may provide a unique opportunity for the member practices to work collectively to support the NCB and the CCG in improving the quality of primary care. However the potential for Federations to support this, in their commissioning capacity, needs to be considered once the approach to this by the NCB and CCG is better understood.

Therefore this section of the memorandum will remain undefined for the time being but updated in a later version.

9 Contract and Pathway development

Federations offer opportunities for a wider range of clinicians to be involved in contract management or the redesign of clinical pathways. Where a Federation agreed to support this role, the Federation would for example:

- identify local clinical representatives to be involved or lead the review or development of local or countywide clinical pathways or contracts with providers of NHS care in conjunction with the CCG.
- draw up initial proposals for consideration by the CCG about improvements to clinical pathways or the arrangement or provision of local NHS and related services

Core Roles and Functions of Federations

10 Promote innovation and the testing new ideas

Federations provide an opportunity for clinicians in a locality to test out innovative ways of arranging or providing services. To support this role Federations would for example:

- draw up and implement plans which test out innovative ways of providing and arranging NHS services in the Federation area. (provided these do not reflect a material change to the requirements of a current contract)
- implement recognised good practice initiatives across the Federation area
- apply to the CCG's Clinical Innovation Fund or another body where investment is required to support an innovation project which cannot be met from the Federation's Commissioning Support Budget. (The Federation would consult with the CCG before bidding for levels of resource which could result in significant changes to the arrangement of NHS services in the locality)
- be involved in an objective evaluation of such schemes as agreed with the CCG

11 Help to identify and address unwarranted clinical variation and associated costs

Federations provide an unique opportunity for collective action or clinical peer review to support practices to address unwarranted clinical variations and associated costs. To support this role Federations would for example:

- analyse prescribing activity by the member practices and their referral activity to acute hospitals
- explore and try to understand the cause of significant variations between practices, between the Federation and other Federations or when compared to other benchmarks
- draw up mutually agreed plans to address, reduce or avoid identified unwarranted clinical and financial variations within the scope of the Federations commissioning remit and its ability to influence member practices

12 Share learning and experience

Federations provide important opportunities to share learning from successful and unsuccessful projects with other Federations and or the CCG. An important role of Federations is therefore to share their experiences as is appropriate.

13 DEVELOPMENT OF ADDITIONAL ROLES AND FUNCTIONS

- 13.1 During 2012/13 the CCG and Federations have agreed to develop a set of additional roles and functions that Federations may consider undertaking in future. These could include for example greater delegation of budgets or the management of small scale contracts, however consideration will also need to be given to appropriate organisational forms the Federations would need to take, to perform these functions.

14 FEDERATION PLANS AND RESOURCES

- 14.1 The CCG believes that the improvements Federations can help to realise require clinical and other staff from the member practices to be released from their day to day duties to be involved.
- 14.2 Releasing clinical and other staff from the practices is the main basis on which the Commissioning Support Budget will be allocated to Federations by the CCG.
- 14.3 It is agreed that the budget may also be used to fund venue, equipment, and consumables, administration and travel costs required for the Federation to undertake its roles.
- 14.4 It is agreed that for 2012/13 that a maximum sessional rate of £300 for a GP and £150 for a Practice Manager would be offered to individuals conducting the commissioning roles of Federations. (In this context a session is given to cover a 4 hrs period and may include travel and preparation time).
- 14.5 The details of the total available allocations to Federations during 2012/13 are provided in Table 3 below. This includes a standard £10,000 to cover basic running costs and an apportioned component based on the population served by the Federations which would be released by the CCG following agreement to Federation plans.

Table 4: Allocations available to Federations in 2012/13

Federation	Number of practices	Population (1 April 2012)	Standard Allocation	Apportioned allocation	Total budget
Taunton Deane General Practice Federation	15	114,798	£10,000	£86,468	£96,468
South Somerset Healthcare	17	109,422	£10,000	£82,419	£92,419
Bridgwater Bay Health	11	81,344	£10,000	£61,270	£71,270
West Mendip	6	49,259	£10,000	£37,103	£47,103
North Sedgemoor	5	47,825	£10,000	£36,023	£46,023
Chard Crewkerne & Ilminster	8	46,112	£10,000	£34,733	£44,733
East Mendip	3	42,623	£10,000	£32,105	£42,105
Central Mendip	5	29,727	£10,000	£22,391	£32,391
West Somerset	6	23,218	£10,000	£17,488	£27,488
Total	76	544,328	£90,000	£410,000	£500,000

- 14.6 The agreed process for releasing the budget to Federations would take place at any point in the year:

Step 1: - Federations use the standard allocation (up to £10,000) to cover basic running cost and to undertake analysis or fact finding and draw up an initial plan or a series of plans.

Informal communication should take place between the Federation and the CCG at regular intervals to ensure that significant time and resources is not applied to projects that the CCG or the Federation would not be able or willing to support.

Step 2: - The CCG discusses with the Federation any system-wide developments that could be supported by the Federation or by more than one Federation working together.

Step 3: The Federation and CCG representatives meet, or use email or telephone contact to discuss the plan and the suggestions of both the Federation and CCG. During this the parties ensure that:

- The plan accords with the core roles and functions detailed within this Memorandum of Understanding
- The plan outlines the specific outcomes the Federation is seeking to achieve or help to bring about. For example improved patient experience, improved use of use of resources, improvements for staff and the use of their expertise and improved inter-agency working
- Potential conflicts of interest are identified and avoided or managed
- Risks of destabilising other parts of the system are considered and mitigated
- The costs of each part of the plan are clearly identified
- The Federation Commissioning Support Budget is not used to support provider functions as detailed later.

Step 4: The Federation finalises the plan

Step 5: The CCG signs off the plan and releases the relevant proportion of the Federation’s Commissioning Support Budget. A template for the assessment of plans is included as Annex 2 and a flow chart illustrating the process is included as Annex 3.

Step 6: The Federation and CCG representatives meet half-yearly to review progress or more frequently if requested by either party.

Step 7: The Federation provides the COG with a 6 monthly report detailing the progress made against the planned goals and funding actually used.

Proposals for the use of underspend funding should be submitted as new lines on the Federation’s plan and agreed via the same process.

14.7 Federation plans will be provided according to the template shown in Table 5.

Table 5: Template for Federation plans

Project	Key activities and actions	Goals: outcomes, specific improvement planned	Measures of success	Links to MoU	Intended completion date	Budget required	Lead
1							
2							
3							

14.8 In addition to the Commissioning Support Budget, the CCG will continue to provide each Federation with Project Management support. Currently this is provided by 9 members of staff who have part time seconded positions. Continuing provision of this support will be review during the Summer of 2012 and agreed with the CCG Governing Body as part of its longer term human resource structure.

15 FUNCTIONS NOT SUPPORTED THROUGH THE USE OF FEDERATION COMMISSIONING BUDGETS

15.1 It is agreed that the Federation Commissioning Support Budgets will not be used to:

- fund any functions or services which could reasonably be considered a duty of a current contract with the member practices
- fund the attainment of incentive schemes, covered through other contract mechanisms for example the attainment of Quality Outcome Framework or Prescribing incentive payments
- develop bids or provider business cases for the provision of new services by Federation members.

15.2 It is also agreed that excess funds at the end of the year will not be paid out to practices in the form of a dividend, but that a negotiation takes place with the CCG between January and March of any one year about any proposed use of underspend allocations.

15.3 Practices are also encouraged to work together to support their provider interests provided that the Federation Commissioning Budget is not used to support the time and resource required to achieve this. They should be mindful of potential conflicts of interest between the commissioning and providing role and ensure declarations are included within any proposals made to the CCG

16 COMMENTS

16.1 The CCG and Federations welcome comments and suggestions on the future development of this agreement.

16.2 Please address these to:

Head of Federation Development
Somerset Clinical Commissioning Group
Wynford House
Lufton Way
Yeovil
Somerset
BA22 8HR

Contact telephone for the CCG Office: 01935 381960

Annex 1 - The Nolan Principles

The CCG and Federations agreed to conduct their commissioning roles and manage the use of the Memorandum in accordance with the Seven Principles of Public Life, known as the Nolan Principles, as defined by the Committee for Standards in Public Life:

1. Selflessness

Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.

2. Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

3. Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

4. Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

5. Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands it.

6. Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

7. Leadership

Holders of public office should promote and support these principles by leadership and example.

Annex 2 – Approval process for Federation Plans

In accordance with good practice principles in the management of public funds and in light of the federated model in place in Somerset, it is agreed that the process for signing off Federation plans during 2012/13 should:

- be proportionate and have clear criteria
- be recorded to allow for scrutiny, challenge and improvement
- consider the alignment of the plans with overarching aims of the NHS
- make a judgement about the value for money in the use of public resources
- include more than one individual of appropriate seniority within the CCG
- be responsive and encourage the engagement of Federation members and the continued development of Federations as part of the structure of clinical commissioning in Somerset

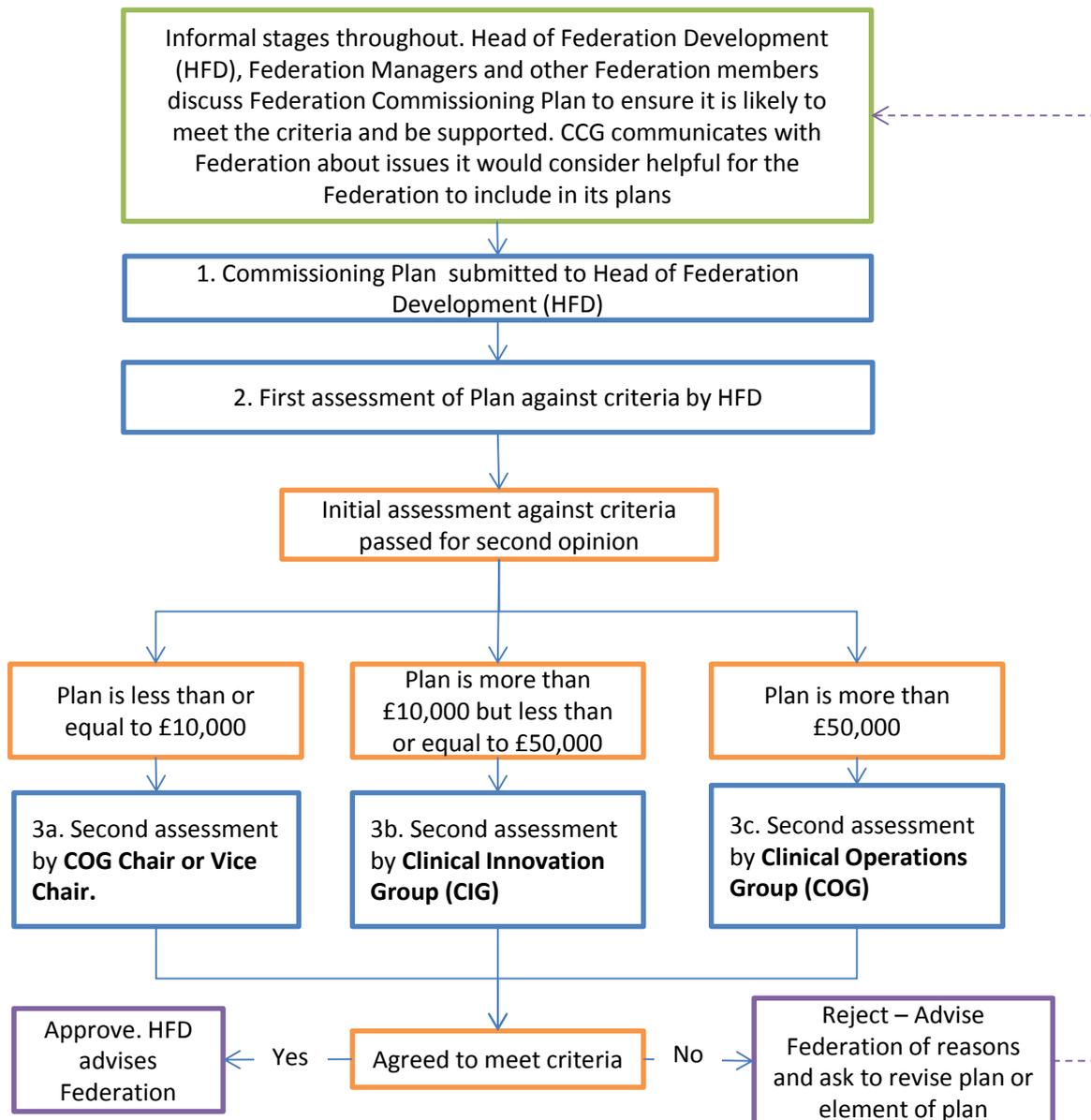
Table 7: Criteria and template for approval of Federation Plans

Item	Comment
Date received: _____ Date reviewed: _____	
Activities within the plan accord with the commissioning functions detailed in the Memorandum i.e. supports a contribution to clinical commissioning by the Federation	
The plan clearly describes the outcomes or improvements the Federation is seeking to achieve	
The outcomes or improvements could not be achieved more effectively through other means	
The plan supports overarching aims of the NHS which include the requirement to: <ul style="list-style-type: none"> • have in place a 'comprehensive health service designed to secure improvement in the physical and mental health of the people of England, and in the prevention, diagnosis and treatment of physical and mental illness. • to secure continual improvement in the provision of NHS services and the use of NHS resources • promote patients to be involved in making decisions about their own care, to share their views and experience to improve the delivery of NHS care and in the design of NHS services 	
Conflicts of interest (where they exist) are recognised and managed	
Are any negative consequences on other services or parts of the local NHS system envisaged	
The plan and use of the Federation's Commissioning Support budget is not used to support the provider functions of the member practices	
Outcome of initial assessment by Head of Federation Development – Criteria met / not met	
Outcome of second assessment (Plan supported / not supported and main reasons) Dependent on value, the Second assessment is conducted by either 1) COG Chair or Vice Chair (£<=£10,000), Clinical Innovations Group (>£10,000 <=£50,000), Clinical Operations Group (£>50,000)	
Record of communication with Federation	

For plans of any value

Significant developments, major implications or risks identified by either Head of Federation Development, COG Chair or Vice Chair or Clinical Innovations Group (Yes / No + nature)	
Date of notification to Managing Director or Director of Finance for discussion by the Clinical Operations Group	

Annex 3 – Federation Plan approval flow chart



Significant Issues: - Where significant implications, risks or issues are identified at any stage the Plan or item of the Plan is escalated to the Managing Director or Director of Finance and discussed by COG. (For plans of any size)

Disputes: - Where a Federation disagrees with the decision, the Federation is at liberty to follow the CCG’s Disputes Procedures. The first stage of this is for a letter to be sent to the Accountable Officer or Chair or the CCG

Record Keeping : - The HFD will ensure that the assessment of Federation Commissioning Plans and key decision making is recorded using the agreed template