

Health and Wellbeing Board

15 May 2024

Services delegated to the ICB: Dentistry, Optometry, Pharmacy and specified Prescribed Specialised Services

Recommendation

That the Health and Wellbeing Board:

1. Notes and comments on the delegation of responsibility for Primary Pharmacy, Optometry & Primary and Secondary Dental Services from NHS England to the Coventry and Warwickshire ICB taking effect from on 1st April 2023 and the processes outlined for the management and governance of these arrangements;
2. Notes and comments on the delegation of responsibility for a portfolio of Prescribed Specialised services from NHS England to Coventry and Warwickshire ICB taking effect from on 1st April 2024 and the processes outlined for the management and governance of these arrangements;
3. Notes and comments on the status of the services delegated as outlined in the services profile report; and
4. Notes and comments on the further portfolio of Prescribed Specialised services planned for further delegation in 2025/26.

1. Executive Summary

- 1.1 Coventry and Warwickshire ICB received delegated responsibility for commissioning Primary Pharmacy, Optometry and Secondary Dental services from 1st April 2023.
- 1.2 Coventry and Warwickshire ICB received delegated responsibility for commissioning 59 prescribed Specialised services from 1st April 2024.

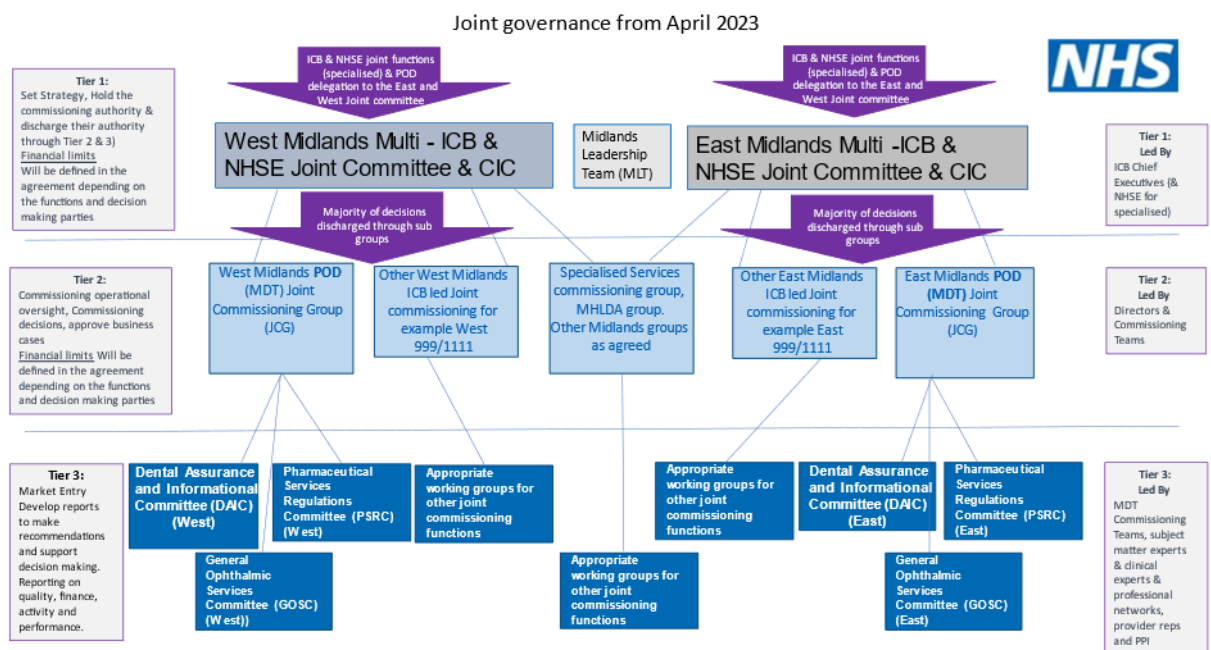
2. Primary Pharmacy, Optometry & Primary and Secondary Dental Services

- 2.1 The aim of NHS England in delegating commissioning functions to ICBs is to break down barriers and join up fragmented pathways to deliver better health and care so that our patients can receive high quality services that are planned and resourced where people need it. The services that were delegated to ICBs on 1st April 2023 are:

- Primary Pharmacy, Optometry & Primary and Secondary Dental Services
- Complaints functions associated with Primary Pharmacy, Optometry & Primary and Secondary Dental Services

- 2.2 Delegation of these services is a national policy. In all cases the responsibility and liability for the planning, performance, finance, quality, and improvement will move from NHS England to ICBs upon delegation. The ICB is responsible for any claims (negligence, fraud, recklessness, or breach of the Delegation). However, in all cases NHS England remains accountable to the Secretary of State for the services, which means that NHSE will have oversight, set standards and service specifications for the services.
- 2.3 The planning footprints of the East Midlands, West Midlands and Midlands are the continued basis for multi-ICB planning and decision making where it makes strategic sense in order to meet the quadruple aim objectives.
- 2.4 As a basis for joint planning for delegated and devolved functions, ICB Chief Executives and NHSE Executives have worked on the principle of pragmatic strategic planning ensuring that skills are retained and that specialised resources are shared between ICBs and between ICBs and NHSE, where appropriate.
- 2.5 Whilst all decisions will be through formal joint committees ensuring equal and equitable decision making for each individual ICB with no one ICB having primacy over another, the hosting of the workforce requires one ICB to provide this function on behalf of the other ICBs.
- 2.6 The Host ICB will provide, oversight, leadership, and support for the workforce. The workforce will work for and on behalf of, each ICB within the planning footprint (West Midlands in this case). This will be supported by a formal hosting agreement between the ICBs and, for specialised services, between the ICBs and NHSE.
- 2.7 The Host will not make commissioning decisions on behalf of other ICBs or NHSE; all decisions will be made through the Joint Committees and their sub-groups.
- 2.8 Recognising that authority do not rest with one individual or individual ICB a model of Distributed Leadership will be adopted to implement shared vision and values and continue the ICB and regional commitment to collaboration and building a strong learning culture.
- 2.9 The **Primary Care Pharmacy, Optometry and Dentistry workforce is hosted** on an East and a West footprint. The host ICBs have been approved by the ICB CEOs and are as follows:
- East Midlands - Nottingham & Nottinghamshire ICB
 - West Midlands – Birmingham & Solihull ICB
- 2.10 The Distributed leadership model of strategic leadership for Primary Care POD will be through Herefordshire & Worcestershire ICB for the West, Nottingham & Nottinghamshire ICB for the East.

- 2.11 The complaints workforce that aligns to Primary Care will also transfer to the Hosts outlined above. However, there is recognition that there are still some national policy agreements and operating model challenges to be resolved, informed by national policy discussions.
- 2.12 Workforce transfers for POD, primary medical service support and complaints staffs took place on 1st July 2023. This was on a multi-disciplinary basis, also including commissioning finance and clinical reviewers but with specialised healthcare public health team members aligned or embedded to teams, not transferred.
- 2.13 The **governance arrangements** for the delegated and devolved functions will be through joint committee arrangements. The current East Midlands and West Midlands collaborative Commissioning Boards transitioned into formal joint committees, with quarterly Committee in Common where both East and West Midlands Boards will come together as 11 ICB for decisions that require a whole Midlands planning footprint. The governance framework is illustrated below.
- 2.14 For Primary Care Pharmacy, Optometry and Dentistry a Joint Commissioning Group led by ICB directors was fully operational in April 2023.
- 2.15 The model of distributed leadership continues through the POD Joint Commissioning Group. To ensure clinical and financial expertise into the group 1 POD ICS finance lead and 1 POD ICS Quality lead are core members of the group.



- 2.16 Given the strategic, infrastructure, and digital development work needed to underpin safe, effective and equitable **Screening Services**, and the complex

end-to-end nature of those services, delegation of screening services is currently out of scope.

- 2.17 Within the West Midlands footprint, the ICBs have agreed to jointly manage financial risk and have agreed various options to manage future growth and in year performance variations. Coventry and Warwickshire was initially set an allocation lower than the recurrent committed spend, but through these arrangements have secured a correction to baseline to cover existing commitments.
- 2.18 Appendix One covers 'frequently asked questions' with regard to Dental, Optometry and Pharmacy (DOP) services and delegation thereof for further information.

3. Prescribed Specialised Services

- 3.1 Since April 2023, the Midlands ICBs and NHS England have operated under statutory joint working arrangements to commission specified specialised services. This has included 59 Acute Specialised Services identified in the national NHS England Specialised Commissioning Roadmap (May 2022) as suitable and ready for delegation.
- 3.2 Following an agreed due diligence process, it was recommended that the 11 Midlands ICBs support formal delegation of the 59 services in April 2024. This was in line with the ICB readiness submission to NHS England through the pre-delegation assessment framework and the subsequent NHS England Board approval in December 2023.
- 3.3 National policy required ICBs to work in formal collaboration regarding Specialised Services. This responsibility will be enacted through the East and West Midlands Joint Committees. However, the decision to move from joint working to formal delegation was a decision for each statutory ICB Board. The Coventry and Warwickshire ICB approved the decision to accept delegation of these 59 services at the March 2024 board meeting and this takes on delegation from 1st April 2024.
- 3.4 All ICBs are expected to receive the delegation of all agreed Specialised Services (Acute, Mental Health and Learning Disabilities, and Vaccinations) by no later than April 2025. The proposed phasing of delegation, with 59 services proceeding in April 2024, provides the Midlands ICBs with the opportunity to build experience in commissioning these services with a developmental safety net of a transitional year. NHS England will provide significant support to ICBs from 2024 to 2025 as they take on these delegated functions.
- 3.5 The delegation of the 59 Acute specialised services is to individual ICBs, however, the formal Delegation Agreement requires ICBs to collaborate in a multi-ICB partnership. The Delegation Agreement is therefore supported by a Collaboration Agreement and Commissioning Standard Operating Framework, which includes NHSE as a partner in their continued role in commissioning retained (non-delegated) services. The approach supports the

requirement to consider the cross-system population needs that support safe and sustainable care in specialised provision.

- 3.6 The Midlands have developed a joint Memorandum of Understanding as a part of the suite of delegation documents, setting out our collaborative commitment to working together to maximise the benefits of delegations for patients, populations and across complex pathways.
- 3.7 The primary purpose of delegation is to benefit the care provided to patients across their care pathways, improve access and reduce inequalities for whole populations. There is a significant opportunity to ensure that the disconnect between the commissioning of specialised services through NHS England and the local commissioning bodies is removed.
- 3.8 The clinical leaders across ICBs and NHSE have identified the delegation benefits as follows:
- **Equity of access for all patients:** There is good evidence that this varies across geographies with those further from specialised provision less likely to have access. Delegation provides the opportunity to understand access and consider outcomes and value across pathways.
 - **Whole pathway approach:** Joining up the whole pathway is likely to encourage focus on upstream prevention improving overall patient outcomes and reducing pressure on specialised services. In addition, this ensures any proposed changes in specialised services are planned with interdependent local services; this could include diagnostic services, services that have a key pathway linkage or support services in health care or local authority provision.
 - **Facilitation of whole pathway transformation** across ICS footprints as new services are introduced: It will allow implementation of clinical advances as close to home as possible for patients whilst maintaining speciality capacity for when needed most.
- 3.9 An example of the benefits of delegation is set out below:

Renal Services

The need for **renal dialysis** can be reduced by ICBs focusing on identifying those at risk for developing kidney disease and its progression. New treatments are now available to delay progression which if systematically implemented should reduce population dialysis and transplantation needs.

Currently planning and delivery are separate between primary and tertiary care and more local solutions could be developed. More integrated commissioning of specialised renal services would make innovations easier by:

- The same people and organisation being responsible for commissioning both the specialised (e.g., dialysis) and non- specialised (GP led) parts of the patient pathway ensuring complete clinical join up of pathway.
- Budgets could be pooled which creates more of an incentive to prevent renal progression, promotion of home therapies to reduce transportation costs and prompt referral for renal transplantation.
- Wider service provision could be included more easily e.g., psychological support and welfare support.
- Services can be tailored around the needs of local populations helping to address health inequalities.
- Those who do need specialist services will still be able to access them in line with national standards and policies.

- 3.10 The 11 ICB and NHS England worked together throughout 2023/24 on the formal joint working arrangements. This enabled ICB specialised services leads to understand and work alongside NHSE teams, making informed decisions on finance, quality and commissioning and contracting.
- 3.11 The approach to the transition process for delegation was led through joint working groups covering finance, governance, clinical quality, strategic commissioning, and planning. This approach was informed by the design principles and operating model set by ICB CEOs.
- 3.12 The comprehensive national safe delegation checklist, which all regions utilise to provide joint ICB and NHS England assurance on deliverables for safe delegation, has guided the approach to due diligence. In addition, learning from the POD delegation, an additional process was agreed and led in the Midlands including ICB and NHSE leads. The summary due diligence reports have focussed on four key domains and have been received by the East Midlands and West Midlands Joint Committees. The due diligence domains are set out below:
- **Quality** – understanding of the quality issues as the receiving organisations and the agreed framework for how ICBs will operate in 24/25
 - **Finance** – Clarity on the absolute risks and issues required for transition. Agreed position on the ICB allocations and methodology and risk share to mitigate the risks for ICBs.
 - **Resources** – staff capacity and capability over the transition year (in advance of transfer to ICB hosting in 2024/25) and the ability to meet requirements for delegation as ICBs take on the commissioning role.
 - **Benefits and opportunities** – Clarity on the benefits of proceeding with delegation in 24 /25. This assessment must also consider the missed opportunity that may accrue through delay to delegation.

Assurance was met against each of these domains.

- 3.13 The joint working groups co-produced several key documents (these are included in a supporting pack for information) that support the delegation of these services, these included:
- Delegation Agreement
 - Memorandum of Understanding (MoU) and Collaboration Agreement 2024/25
 - Commissioning Team Agreement and Operating Framework
 - Service Portfolio Reports

These outline the future operating model for the collaborative arrangements, including governance, supporting groups and terms of reference etc.

- 3.14. Appendix 3 is attached which includes the service portfolio reports for the 59 services delegated to Coventry and Warwickshire ICB

4. Financial Implications

- 4.1 For DOP services, in 2023/24, the overall year to date position as at M11 across the West ICBs was a surplus of £37.1m of which £3.1m related to Coventry and Warwickshire ICB. This was driven by under-performance on primary care dental services and over performance of Optometry and Pharmacy services activity. Note, at this stage in the year there was 8 months of actual financial activity for pharmacy services which was 3 months in arrears.

Table 1: Expenditure by West Midlands ICB

ICB	Annual Budget	YTD Budget	YTD Actual	Variance	%
	£'000s	£'000s	£'000s	£'000s	
Birmingham and Solihull	140,891	128,030	122,397	5,632	4.4%
Black Country	131,504	118,991	112,988	6,002	5.0%
Coventry and Warwickshire	88,146	79,827	76,661	3,167	4.0%
Herefordshire and Worcestershire	71,615	64,844	56,960	7,883	12.2%
Shropshire, Telford and Wrekin	52,775	47,715	41,960	5,755	12.1%
Staffordshire and Stoke on Trent	109,570	98,974	90,330	8,645	8.7%
West Midlands ICB Total	594,501	538,381	501,296	37,084	6.9%

- 4.1 The draft financial plan for Coventry and Warwickshire ICB for DOP services is £82.7m as outlined in Appendix 2, this does not correct for the baseline shortfall of c£6m identified and non-recurrently corrected in 2023/24 and our expectation is that this is likewise corrected again for 24/25.
- 4.2 The ICB should receive an allocation for delegated PSS services of c£218.8m as identified in the table below, albeit this remains subject to confirmation at this point in time. This is expected to cover all existing commitments and planned growth i.e., we will received a balanced plan. Due diligence is being completed on this as part of finalising the 2024/25 plan position.

Table 2: Delegated and retained service totals

Delegated & Retained Service Totals - 2 May 2024 draft plan

Midlands ICB	2 May Contract plan	2 May Reserves & Contingencies	Delegable Offer 2 May	Acute Orange	MH Orange	Orange Services 2 May	Total Delegated Services 2 May
NHS BIRMINGHAM AND SOLIHULL ICB	380,260,337	3,455,559	383,715,896	44,233,155	5,029,494	49,262,649	432,978,545
NHS BLACK COUNTRY ICB	253,906,572	2,407,712	256,314,284	24,465,138	3,061,212	27,526,351	283,840,635
NHS COVENTRY AND WARWICKSHIRE ICB	192,980,728	3,620,469	196,601,197	20,947,524	1,290,336	22,237,860	218,839,057
NHS DERBY AND DERBYSHIRE ICB	190,353,794	4,675,224	195,029,018	21,593,991	835,711	22,429,702	217,458,720
NHS HEREFORDSHIRE AND WORCESTERSHIRE ICB	143,563,850	3,167,510	146,731,360	13,334,174	1,695,762	15,029,936	161,761,296
NHS LEICESTER, LEICESTERSHIRE AND RUTLAND ICB	234,970,572	2,864,622	237,835,194	26,476,335	2,976,089	29,452,424	267,287,618
NHS LINCOLNSHIRE ICB	142,307,405	3,509,903	145,817,308	14,769,621	1,401,231	16,170,852	161,988,160
NHS NORTHAMPTONSHIRE ICB	141,682,876	3,954,510	145,637,386	14,256,447	1,176,340	15,432,786	161,070,172
NHS NOTTINGHAM AND NOTTINGHAMSHIRE ICB	255,658,028	1,288,761	256,946,789	29,444,595	3,166,174	32,610,769	289,557,558
NHS SHROPSHIRE, TELFORD AND WREKIN ICB	88,460,054	2,632,805	91,092,859	11,015,353	457,462	11,472,816	102,565,675
NHS STAFFORDSHIRE AND STOKE-ON-TRENT ICB	241,230,669	2,544,627	243,775,297	21,814,828	1,905,414	23,720,242	267,495,539
Midlands ICB Total	2,265,374,885	34,121,702	2,299,496,586	242,351,160	22,995,226	265,346,386	2,564,842,973

- 4.3 The ICBs have established a mutually agreed pooled fund arrangement for in-year financial management, with a defined contribution based on the allocation received for the 59 delegated specialised services which will be

transferred to the Host ICB, (Birmingham & Solihull ICB) on behalf of the Midlands. This is detailed in the collaboration agreement.

5. Environmental Implications

5.1 None directly associated with this report.

6. Conclusions

6.1 Health and wellbeing board is asked to:

- Note the delegation of responsibility for Primary Pharmacy, Optometry & Primary and Secondary Dental Services from NHS England to the Coventry and Warwickshire ICB taking effect from on 1st April 2023 and the processes outlined for the management and governance of these arrangements.
- Note the delegation of responsibility for a portfolio of Prescribed Specialised services from NHS England to Coventry and Warwickshire ICB taking effect from on 1st April 2024 and the processes outlined for the management and governance of these arrangements.
- To note the status of the services delegated as outline in the services profile report.
- Note the further portfolio of Prescribed Specialised services planned for further delegation in 2025/26.

7. Supporting Documents:

- Appendix One: Primary Care Delegation frequently asked questions
- Appendix Two: Draft 2024/25 DOP financial plans
- Appendix Three: Service portfolio reports for the 59 delegated prescribed specialised services.

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