



By Email

Dame Jacqueline Docherty
Chief Executive
London North West Hospitals NHS Trust (LNWHT)
Northwick Park Hospital
Watford Road
Harrow
HA1 3UJ

28th September 2018

Dear Jacqueline

Commissioning Notice for 2019 – 21 contracts by NWL CCGs

I write on behalf of the eight CCGs in North West London which make up the NWL collaboration and which commission services from London North West Hospitals NHS Trust (LNWHT). This letter provides official notice of intended changes to the services being commissioned in relation to the NHS Standard Contract for 2019-21.

As we collectively work towards a whole health economy approach to delivering services, this letter highlights our commissioning objectives namely:

- delivery of the North-West London Strategy and Transformation Plan (STP) for 2019-21
- transition towards Integrated Care Systems at borough and at NWL level (ICSs).
- successful delivery of NHS England national planning guidance

At present we are assuming that NHSE will require new two year contracts to be agreed and signed by the end of February 2019, subject to any further guidance. We anticipate that this will involve a complete contracting process but we will be guided by the principle of streamlining and minimising reporting requirements. As we look to continue to progress our commissioned hospital contracts (currently predominantly cost and volume based for acute contracts) plus all other commissioned contracts towards capitated integrated care, we will need to agree suitable contractual formats and funding mechanisms which most effectively manage overall system operational and financial risk. We will expect to move away from cost and volume based contracts, seeking alternative options which best incentivise the delivery of the transformation agenda set out in the STP. We already have good examples in NWL of such a collaborative approach via the Out Patient programme and the sector risk share mechanism already in place for acute contracts.

I felt it important to clarify what we think should be the key deliverables as an STP at the end of a two year contract as this will support the release of cost pressures for providers and commissioners. Indeed, in line with the Strategic Outline Case submitted to regulators in late 2017, in sector Commissioners and Providers were expected to deliver combined efficiencies of £269m (via CIP, QIPP or other initiatives to reduce the reliance on non-recurrent support). This is expected to be a minimum requirement given the deterioration in the sector's underlying (recurrent) financial position since the case was submitted.

- As Commissioners already work together to manage a collective control total we would aspire to develop systems that work to support a provider and commissioner sector control total to support achievement of system affordability, although this will be subject to national guidance. As part of this we should ensure that our underpinning work programmes support the delivery of the SOC 1 & 2 (Strategic Outline Case) which will develop both secondary and primary care services.
- Delivery of the transformation programme based around managing care and conditions proactively and out of hospital as much as possible with prioritised work streams identified in:
 - Delivery of the Urgent Care Programme to underpin the national planning guidance and the alignment across NWL of pathways of care in the community and in the acute providers. This has been signed off by all providers and commissioners as part of the SOC assurance process and brings our key actions together to ensure we increasingly provide care out of hospital so as to manage care within the number of acute beds modelled in SOC 1. Programmes include integrated diabetes care, ambulatory care, proactive frailty models, discharge from hospital, work with care homes and end of life,
 - Delivery of the Outpatient programme allowing for the release of costs for both providers and commissioners by working together and allowing for further expansion of system change with operating standards across NWL for care outside hospital.
- The shadowing of a NWL Integrated Care system based on a sector framework that brings together primary care with community services in an aligned and coordinated approach. This is to ensure that in NWL patients can expect an uniformly high level of care with pathways arranged around our large acute Trusts that support operational delivery. The system needs to be outcomes based with the aim of reducing variation,
- For CCGs in NWL the delivery of the Mental Health 5 Year Forward view is complicated by the significant variation in historical spend which is being addressed by a rebalancing exercise. Resolution of these issues will require a balanced approach across the sector with joint ownership of the issues around available funding.
- Our strategic objectives for 2019 onwards are to help ensure all our providers from NWL receive a CQC rating of good or above. We have been successful in NWL in aligning quality standards across acute contracts and as part of achieving this with Mental Health and Community contracts we will be aiming to agree:
 - A series of generic quality requirements across all providers
 - A set of core quality standards reflecting the provider speciality – Acute, Mental Health and Community
 - A set of local metrics applicable to individual providers

The above summary should drive our service redesign and contractual principles for the two year period and the following appendices highlight some more detail underpinning these outcomes:

- Appendix 1 – Commissioning Intentions – Transformation Programmes and Principles on key contractual schedules 2019/20
- Appendix 2 – NWL Sector and CCG key intention areas for 2019/20

Next Steps

I hope this provides a useful summary and steer for 2019-21 and a timetable will be issued to negotiation teams by the end of October that will highlight key milestones taking the assumption that a two year contract will be concluded realistically by the end of February 2019 (subject to national guidelines). Local meetings will be set up to understand the activity and finance baselines and the impact of transformation projects to achieve relevant control totals. As an STP we also propose milestone updates to the CFO group and the Programme Board in November, December and January. In the meantime, if you would like to discuss the content of this letter further please do not hesitate to contact me.

I would be grateful if you can confirm receipt of this letter by return.

Yours sincerely



Mark Easton

Chief Officer,
NHS North West London Collaboration of CCGs

Att.

cc Caroline Morison, Managing Director, Hillingdon CCG
Javina Sehgal, Managing Director, Harrow CCG
Sheik Auladin, Managing Director Brent CCG
Tessa Sandall, Managing Director, Ealing CCG
Mary Clegg, Managing Director, Hounslow CCG
Janet Cree, Managing Director, Hammersmith & Fulham CCG
Louise Proctor, Managing Director, West London CCG
Jules Martin, Managing Director, Central London CCG
Diane Jones, Chief Nurse/Director of Quality, NWL CCGs
Neil Ferrelly, Chief Finance Officer, NWL CCGs
Huw Wilson Jones, Director Acute Commissioning, NWL CCGs