

South West London Collaborative Commissioning (“SWL CC”) on behalf of South West London Clinical Commissioning Groups (“SWL CCGs”)

Draft scope for Due Diligence on Primary Medical Services Delegated Responsibility

Introduction and background

The 6 South West London CCGs (Wandsworth, Merton, Sutton, Croydon, Kingston and Richmond CCGs) have “shadow” responsibility for primary medical care budget from 1 April 2015 and are considering applying for full delegated responsibility from 2016/17. The CCGs are required to submit an expression of interest by 6 November 2015 (see <http://www.england.nhs.uk/commissioning/pc-co-comms/pb-cc-approval/> for further details).

The CCGs would like to commission a high level due diligence exercise on the primary medical services they will take delegated responsibility from NHS England’s Primary Care Commissioning function from 1 April 2016.

The due diligence report will inform the CCGs approval process for delegation, including agreement of and also identify key risks to mitigate the arrangements each organisation puts in place to manage the contracts.

This request for quotes is a further competition under Lot 5.2 *Other Assurance and Advice* of Crown Commercial Service (CCS) framework agreement reference RM1502: ConsultancyONE.

[Drafting note – for procurement please attach a high level plan for the CCGs process September-October 2015 for background.]

Detailed Scope

The due diligence scope should cover the following areas:

Budgets and forecast financial position

A high level review and commentary on the following areas for the primary care budgets to be delegated to each of the individual CCGs:

- Historical budgets and trend analysis covering at least 2013/14-2015/16 (3 financial years). The analysis should include review of the main resource and cost categories related to the general medical budgets, including GMS and PMS contracts, QOF, DESs, discretionary payments and premises costs. The analysis should consider actual performance against budget and any key risks identified.
- Budget setting process for 2015/16. The analysis should consider the key assumptions in setting the 2015/16 budget including inflation assumptions, population growth assumptions, contractual changes (e.g. seniority), QIPP plans (including understanding the scope of any non-delivery of QIPP (recurrently) at outturn for 15/16, with the expectation this will not be inherited as a liability into 16/17) and any other cost increases and CIPs.
- Current performance against budget in 2015/16, any financial risks highlighted in budget monitoring and a review of existing or known future commitments.
- Forecast analysis of the budgets likely to transfer across in 2016/17, including clarity on what baseline will be used, any expected contract uplifts, CIPs and changes in resource allocation.
- Analysis of (i) budget reserves (e.g. 1% non-recurrent headroom, 0.5% mandatory contingency), (ii) 14/15 routine balance sheet accruals (QOF, Q4 list size adjustment) and (iii) 14/15 balance sheet provisions (ie estimate liability from disputes) of that are expected to transfer.

Legal and governance

The due diligence should consider:

- A review of current contractual arrangements and commentary on the types of contracts for each CCG area – expressed as number of contracts and population coverage.
- ~~Review with of any significant legal risks related to the contracts transferring based on written advice from NHSE legal advisors, and in consultation with CCG's legal advisors.~~
- Details of any regulatory, quality or service issues related to the primary care contracts transferring, with legal issues being referred to CCGs' legal advisors.
- Current NHSE arrangements for managing financial and other risks and consideration of future impact on CCGs.
- ~~Any other legal and governance issues identified that might be relevant to the CCGs receiving the primary medical services budgets, including the delegation agreement.~~

Other

- Review and comment on the current level of resource involved in managing the contracts for the GMS and PMS practices for the 6 CCG areas. This covers both the NHSE London Primary Care Commissioning team based at Southside, as well as the primary care support services recently awarded to Capita.

Outputs and exclusions

The output required from the due diligence exercise is a report addressed to the CCGs governing bodies, summarising key findings and highlighting significant risks in each of the areas in the scope above.

The quote should not include any costs related to legal due diligence which will be separately undertaken by Capsticks on behalf of the CCGs.

The quote should include details of likely information required to complete the work. Where required, SWL CC will coordinate accessing this directly from NHS England. An initial request has already been made for much of the information.

The scope will not review the proposed arrangements for delegation at the CCGs in detail. This will be reviewed by NHS England through its assurance process ahead of delegation. The due diligence report should draw out key risks for the CCGs to take account in considering the arrangements they put in place.

Experience required

The team undertaking the due diligence should demonstrate expertise and qualifications relevant to financial and governance due diligence, specifically in relation to NHS finances, CCGs and primary care contracting.

Budget

The budget available for the review is up to £50,000.

Timescales

The indicative timetable for the review is below. It will be finalised on appointment to reflect any guidance from NHS England on the delegation process and also CCG Governing Body meeting dates.

- Preliminary review and information gathering in September 2015
- Follow up work in October 2015 once information sourced from NHS England
- Interim reporting by end October 2015
- Final draft report by 15 December 2015