

NHS COUNTY DURHAM AND DARLINGTON INTEGRATED BUSINESS BOARD

Amended North East Specialised Commissioning Group Scheme of Delegation and Terms of Reference

1. Introduction

The purpose of this report is to inform the integrated business board of amendments to the North East Specialised Commissioning Group (NESCAG) scheme of delegation and terms of reference.

At its meeting on 4 December 2009, the NESCAG approved minor amendments to the above document to reflect changes to the PCO clusters and at pan-SCG level. A copy of the approved version is attached.

2. Implications and risks

The previous scheme of delegation and terms of reference for the NESCAG group referred in paragraph 1.1 to six primary care organisation (PCO) groupings as follows:

*North of Tyne Group – Northumberland Care Trust; Newcastle PCT; North Tyneside PCT.
South of Tyne Group – Gateshead PCT; South Tyneside PCT; Sunderland Teaching PCT.
County Durham Group – County Durham PCT.
Darlington Group – Darlington PCT.
North of Tees Group – Hartlepool PCT; North Tees PCT.
South of Tees Group – Middlesbrough PCT; Redcar and Cleveland PCT.*

It was proposed that this was revised to the four PCO groupings as outlined in the attached version.

It was further proposed that references to the *National Specialised Services Commissioning Group (NSSCG)* at pan-SCG level in paragraphs 2.3 and 6.2 of the existing document were changed to the National Specialised Commissioning Group (NSCG).

Document management				
Version	Date	Summary	Owner's Name	Approved
1.0	18/01/10	Approval of NESCAG revised TOR and scheme of delegation	Theresa Huddart	
2.0	26/1/10	Presented to Integrated Business Board	Theresa Huddart	

3. Recommendations

The integrated business board is asked to:

- note the proposed amendments and endorse the revised scheme of delegation and terms of reference for the NESCG.

4. Author and sponsor director

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Title: Corporate Business Support Manager

Director: Theresa Huddart
Title: Company Secretary
Date: January 2010

Purpose of paper	Information sharing No Development/discussion No Decision/action Yes
How does the paper support / have implications for:	
NHS County Durham and Darlington's 4 Strategic Aims	All four
Our Vision Our Future workstreams	Yes
World class commissioning competencies	Governance, board
Standards for better health	Not applicable
Use of resources	KLOE 2.3
Targets and Vital signs	Not directly applicable
NHS Constitution	Not applicable
Darzi Principles	yes
Impact on / Involvement of partners	Working with other PCO's
Equality & Diversity	Not applicable
Other policies / Issues	Not applicable



**North East Specialised
Commissioning Group**

SCHEME OF DELEGATION AND TERMS OF REFERENCE FOR THE NORTH EAST SPECIALISED COMMISSIONING GROUP

1. Introduction

- 1.1 The North East Specialised Commissioning Group (NE SCG) is a committee comprising representatives of the following Primary Care Organisations (PCOs) hereafter referred to as 'Members':

North of Tyne Group – Northumberland Care Trust; Newcastle PCT; North Tyneside PCT.

South of Tyne Group – Gateshead PCT; South Tyneside PCT; Sunderland Teaching PCT.

County Durham and Darlington Group – County Durham PCT; Darlington PCT.

Tees Group – Hartlepool PCT; Stockton-on-Tees Teaching PCT; Middlesbrough PCT; Redcar and Cleveland PCT.

- 1.2 The NE SCG is established as a joint sub-committee of each of the Boards of Members in accordance with Regulations 9 and 10 of the National Health Service (Functions of Strategic Health Authorities and Primary Care Trusts and Administrative Arrangements) (England) Regulations 2002.

The members therefore acknowledge that the NE SCG is subject to any directions, which may be made by the North East Strategic Health Authority or by the Secretary of State.

2. Functions of the North East Specialised Commissioning Group

- 2.1 The NE SCG has been established in accordance with the above regulations to enable the Members to make collective decisions on the review, planning, procurement and performance monitoring of

Specialised Services as set out in the Specialised Services National Definitions Set (2002) or any revision thereto, as well as any other service as agreed by the SCG, commissioned on behalf of the relevant populations of the Members. Services commissioned nationally by the National Commissioning Group are excluded from this Agreement.

2.2 The functions of the SCG are undertaken in the context where NHS commissioning is increasingly focussed on developing care standards and the quality assurance of provider services.

2.3 The SCG will undertake the following functions:-

- to plan, including needs assessment, procure and performance monitor Specialised Services, and other services as defined and agreed by Members, to meet the health needs of Members' populations;
- to undertake reviews of Specialised Services and other agreed services, manage the introduction of new services, drugs and technologies and oversee the implementation of NICE and/or other National guidance or standards relating to Specialised Services and other agreed services;
- to designate providers to ensure that Specialised Services and other agreed services are provided to the highest clinical standard, represent value for money and are accessible to everyone that needs them and to avoid unplanned, unsafe proliferation of specialised services provision;
- to co-ordinate a common approach to the commissioning of Specialised Services and other agreed services from providers in the SCG area and elsewhere;
- to manage the budget (pooled from PCO allocations) for commissioning Specialised Services and other agreed services, be held accountable for its use, and develop financial risk sharing arrangements;
- to develop, negotiate, agree, maintain and monitor service level agreements/contracts for Specialised Services and other agreed services from providers in the SCG area and elsewhere;
- to monitor and fund the costs of non-contractual activity (NCA) for those services agreed by Members;
- to provide a co-ordinated Specialised Services Commissioning input to clinical networks, local commissioning groups/fora and partnerships, and co-ordinate service development plans with PCOs and their practice-based commissioners in the SCG area;
- to maintain close links with PCOs and providers, and other statutory

authorities, including those within the criminal justice system, in the SCG area;

- to work in partnership with other SCGs and act as lead commissioner on behalf of other SCGs where agreed by those SCGs and their PCOs;
- to be a member of the National Specialised Commissioning Group (NSCG) and take account of its decisions.

3. Principles upon which the SCG is based

- 3.1 The SCG will support Member PCOs in striving to reduce the inequalities in access to and delivery of services for the populations the Member PCOs serve.
- 3.2 The SCG will seek to share skills, knowledge and/or appropriate resources for the benefit of the total population served.
- 3.3 The SCG will utilise the funds made available to it by Members to commission agreed services and support its management costs in a transparent and cost effective way, ensuring that the financial risks to individual Members of unforeseen/unplanned activity are minimised.
- 3.4 Commitments made by the SCG, and by SCG representatives acting on behalf of the SCG under these agreed terms of reference, will be binding on all Members until the SCG agrees otherwise.
- 3.5 The SCG will review, plan, develop and monitor the agreed services in partnership with clinicians, providers and service users.
- 3.6 The SCG will maintain close working links with service providers, clinical networks and other commissioners or commissioning groups, fora and partnerships.
- 3.7 A standard facilitation/arbitration procedure will apply when disputes between Members arise.

4. Membership of the NE SCG

- 4.1 Each of the four PCO groupings will have one Member on the NE SCG who should be their Chief Executive. In the absence of the nominated representative, a deputy may attend the meeting with the agreement of the relevant Chief Executive.
- 4.2 The NE SCG will determine when it is appropriate to meet but will meet at least quarterly each year and the quorum for a meeting will be a minimum of three representatives of PCO members.
- 4.3 In attendance at the meetings of the NE SCG, in a non-voting capacity, will be nominated director-level representatives of the Strategic Health

Authority.

- 4.4 The NE SCG members will jointly agree the appointment of a Secretary to the NE SCG to support its meetings.
- 4.5 The meetings will be chaired by a designated PCO Chief Executive and, in the absence of the Chair, by a deputy agreed at the meeting.

5. Conduct of the Meetings and Delegations of Business

- 5.1 The Secretary to the NE SCG will be responsible for giving notice of the SCG meetings, such notice (which will be accompanied by an agenda and supporting papers) shall be sent to Member representatives no later than seven days before the date of the meeting. When the Chairman shall deem it necessary in the light of urgent circumstances to call a meeting at short notice, the notice period shall be such as he/she shall specify.
- 5.2 Decisions at meetings shall be taken by a simple majority of members present, save that any change to this Scheme of Delegation and Terms of Reference shall require a unanimous decision of the full Membership.
- 5.3 The NE SCG may delegate tasks to such individuals, sub-committees or individual Members as it shall see fit provided that any such delegations are recorded in a Scheme of Delegation and are governed by Terms of Reference.
- 5.4 The NE SCG may also delegate commissioning responsibility, including procurement, to another SCG and/or commissioner, as it shall see fit, provided that any such delegation is recorded in a Scheme of Delegation.
- 5.5 Minutes of each meeting of the NE SCG or any formal sub-committees shall be circulated with the agenda for the next meeting and their approval shall be considered as an agenda item.

6. Accountability of the NE SCG

6.1 A) At SCG Level

- 6.1.1 The SCG is a joint sub-committee of each of the Boards of the Members and the Member representatives can:
 - commit resources within delegated responsibilities and agreed resource limits;
 - decide commissioning policy;
 - commission research/reviews to inform decisions;
 - agree, review and update action plans;
 - act as an agent for the SCG;
 - commission and monitor service level agreements/contracts between Members and between the SCG and other service providers.

- 6.1.2 Each Member's representative on the SCG will be able to commit resources on behalf of their Member within the limits set out in their own Standing Financial Instructions. By adopting this Scheme of Delegation and Terms of Reference, each Member confirms that its Standing Financial Instructions and Standing Orders are consistent with these powers and empowers their representative to commit resources.
- 6.1.3 For the avoidance of doubt, in the event of any conflict between the terms of this Scheme of Delegation and Terms of Reference and the Standing Orders or Standing Financial Instructions of any of the Members, the latter will prevail.
- 6.1.4 In order to ensure that time is allowed for a Member's representative to consult within their own PCOs and with other key stakeholders, wherever possible, adequate notice will be given of proposals to change commissioning policies, commit resources and/or enter into service agreements and contracts.

6.2 B) At Pan-SCG Level

In order to discharge its duties on behalf of Members, the SCG will be responsible for representing Members' interests in commissioning specialised services, or other services as agreed by the SCG, that span a number of SHA areas and/or require a national commissioning approach. Such responsibility will be discharged through service specific groups/networks agreed by the SCG in conjunction with other SCGs and/or through the National Specialised Commissioning Group (NSCG).

- 6.2.1 A nominated Member representative of the SCG will be delegated to represent the SCG and ensure that the SCG's views are properly taken into account in reaching a decision at pan-SCG or NSCG level.
- 6.2.2 SCGs will take into account decisions taken at pan-SCG or NSCG level.
- 6.2.3 SCGs will be given adequate notice regarding any issues which entail decision-making at pan-SCG or NSCG level meetings.

7. Funding Arrangements

- 7.1 Each Member will contribute an annual subscription to the SCG, based on the SCG's commissioning portfolio of services and the management costs of supporting such commissioning.
- 7.2 It is recognised that the SCG operates these services within a risksharing, Host PCO arrangement to ensure that the budget is in financial balance at the year-end and that no financial liability, risk or benefit resides with the Host PCO. Therefore, any net under-spend against the SCG budget will need to be returned to Members and any

net over-spend will need to be funded by Members on the basis of agreed shares.

- 7.3 Notwithstanding the provisions within 7.2, the SCG will endeavour to manage the totality of the subscription, the “pooled budget”, within an agreed financial plan. Any changes to the plan, and therefore the subscription, which may be required during the financial year, will be submitted to the SCG for consultation prior to agreement at the SCG. Changes will be made using agreed methodologies that support the principles of appropriate risk sharing and equity between Members.

8. Procurement of Agreed Services

- 8.1 The SCG will determine which services/products should be procured and from which provider(s).
- 8.2 The Members jointly delegate their respective functions for the procurement of agreed services to the SCG.
- 8.3 Agreed service level agreements/contracts will be signed on behalf of the Host PCO and for all other Members, in accordance with the delegated financial limits set by the Host PCO’s Standing Financial Instructions.
- 8.4 The Host PCO will collect from all other Members their subscriptions and pay the aggregate amounts to the providers of agreed services on behalf of all Members.
- 8.5 The SCG will provide each Member with a statement for each service level agreement/contract on a frequency to be agreed by Members.
- 8.6 The SCG will provide each Member with an annual statement summarising each service level agreement/contract.
- 8.7 Whilst the SCG will endeavour to act on behalf of all the PCOs working collaboratively, each Member remains responsible for performing and exercising its statutory duties and functions for delivery of the agreed services to its population and its patients.

9. Host Primary Care Trust

- 9.1 One of the Members will be designated, by agreement, as the Host PCO.
- 9.2 The responsibilities of the Host PCO are:
- to appoint and employ such officers as may be required and provide all necessary corporate services and management support as may be required;
 - to have in place Standing Orders, Standing Financial Instructions and other appropriate governance arrangements and Schemes of Delegation necessary to enable the SCG’s functions to be carried

out;

- to provide full financial support to the Specialised Services commissioning functions, including the collection of subscriptions from Members and the making of payments to providers of the agreed services;
- to hold the management budget and make payments and receive income as necessary

9.3 The SCG shall adopt the Standing Orders, Standing Financial Orders and relevant Schemes of Delegation of the Host PCO.

9.4 A management charge, as agreed with the SCG, would be payable to the Host PCO from the management budget for the costs incurred in acting as the Host PCO.

10. Communication

10.1 Chief Executives of each Member PCO will act as the overall communication link to their health communities and shall present the approved minutes for each SCG meeting to the Board of their PCO.

10.2 An SCG Annual Report will be produced for Member's Boards.