

# Disinvestment and Decommissioning Policy

<b>Version</b>	<b>Final</b>
<b>Date</b>	<b>22 August 2016</b>
<b>Approved by</b>	<b>Sarah Laing</b>
<b>Review Date</b>	<b>August 2017</b>
<b>Clinical Lead</b>	<b>Dr H Vitarana</b>
<b>Author</b>	<b>Denise Perry</b>

## **Purpose**

The purpose of this policy is to ensure that the CCG has a clear and consistent process for identifying, evaluating, decommissioning and disinvesting services.

Key objectives include -

- To provide a rationale and process to allow services to be identified and considered prior to any decision to decommission or disinvest.
- To enable resources to be directed to the highest priority areas in order to achieve the best possible health outcomes for the local population against available funds.
- To ensure all disinvestment decisions are taken in a fully informed manner and follow a set procedure agreed and approved by the CCG Commissioning Committee.

In the current financial climate, funding growth allocated to public services (including the NHS) is increasingly constrained. It is therefore essential for the CCG to show that it is making the most effective use of public money to commission services that deliver the greatest health benefit for local people. To achieve this, effective contracting arrangements and strong performance management are essential, together with robust, evidence based approaches to prioritisation.

To ensure that limited resources are consistently directed to the highest priority areas the CCG has developed a Decommissioning and Disinvestment Policy that sets out the agreed principles for decommissioning services so that funding can be redirected, where necessary to higher priorities. There is a need to ensure that when consideration has been given by the CCG Commissioning Committee and/or the Governing Body to decommission or disinvest from a service, a clearly defined process is followed, with clear lines of accountability and responsibility.

The following definitions have been applied to this policy;

- **Decommissioning:** This relates to the withdrawal of funding from a provider organisation with services being subsequently re-commissioned in a different way.
- **Disinvestment:** This relates to the withdrawal of funding from a provider organisation and the subsequent stopping of the service.

## **Principles**

The policy is designed to ensure that the CCG acts in accordance with a set of agreed principles and strong governance when it makes decisions about disinvesting from services. Briefly these include –

- **Equality & Quality** are the primary guiding principles -
  - Ensuring the needs of patients are considered throughout
  - Better outcomes are achieved
- **Efficiency** to make more effective use of resources -
  - Secure better value for the Walsall pound
  - Reducing waste and variation
- **Processes** for identification and evaluation should be -
  - Systematic and robust
  - Transparent and Inclusive

The process applied should be proportionate and ensure that there is provision for:

- Strong governance
- Appropriate engagement and consultation
- Consideration of challenge and appeal

## **CCG Governance Framework**

Within the context of the CCG Governance Framework the following principles for decision making regarding the decommissioning or disinvestment of services will apply;

- It is a right and role of the CCG membership to identify services that should be considered for decommissioning or disinvestment. Member practices will also be engaged for their views when proposals to decommission or disinvest are developed.
- The Commissioning Committee has a role to oversee and approve decommissioning and disinvestment proposals. They will refer any proposals that are high risk or deemed contentious to the CCG Governing Body.
- The CCG Governing Body, as the legally accountable body for NHS resources in Walsall, will ultimately make the decision in public with regard to the decommissioning of any service following the criteria and process set out in this strategy.

- Engagement and consultation will be carried out following Walsall CCG Engagement and Consultation guidelines and will be informed by statutory and best practice requirements.
- Commissioners are required to retain an auditable documentation trail regarding all key decisions.
- A decommissioning or disinvestment review process will be put in place so that any affected stakeholders can request a review of the decision making process, in line with the approach to transparency and openness.

### **Decision making framework**

Although there is no single objective measure on which such decisions can be based, decisions will be fully informed taking into account the needs of individuals and the community in Walsall and the most efficient use of the Walsall pound.

The discretion of the CCG will be affected by factors such as the NHS Constitution, national planning frameworks, national best practice guidance and Secretary of State Directions to the NHS.

The CCG will adopt a robust approach to its decommissioning / disinvestment decisions by ensuring decisions are fair, rational, lawful and consistent.

Providing a coherent structure for discussion, ensuring all important aspects of each issue are considered prior to decisions being made.

The CCG will promote fairness and consistency in decision making and with regard to different clinical topics, reducing the potential for inequity and provide a means of explaining the reasons behind the decisions made.

Reducing risk of judicial review by implementation of robust decision-making processes described in this policy.

Ensuring the Vision, values and goals of the CCG are reflected in business decisions.

### **Identification of service for review**

The process for identifying potential services for decommissioning / disinvestment needs to be systematic. This includes:

- Review of expenditure against health outcomes
- Poor performance identified through the contract monitoring process and feedback from patients, public and partners.

- Using benchmarking and The Right Care approach. The Contracts and Performance team will also be able to advise on the tools available for benchmarking and comparison.

### **Decommissioning and disinvestment criteria**

The need for disinvestment can be identified through a variety of sources listed below and included in the overall commissioning process by the routes of clinician, finance, commissioner, contracting, quality, performance or a combination.

The following points should be considered when making the initial decision to decommission or disinvest from a service:

- The patient experience and local health need must be paramount in informing any decision, action should be taken to minimize the impact of gaps in service provision once the service is decommissioned or disinvested.
- Impact assessments must be undertaken in order to quantify and clarify and positive or negative impact on patient care and the wider community (i.e. carers)
- The potential destabilising effect on other services and organisations e.g. third sector, of a decision to decommission/disinvest should be fully considered, so as to avoid unintended consequences arising from any decision.

The CCG will consider decommissioning or disinvesting from services where:

- A needs assessment demonstrates existing services are not meeting the health needs of the population.
- There is a clear and objective reason for the decommissioning or disinvesting of a service that is based on assessment of the current providers' performance, value for money and the need for service redesign to improve services for patients.
- The original decision to fund a service was made on assumptions that have not realised.
- There are demonstrable benefits for the decommissioning or disinvesting of a service.
- There is an inability to demonstrate delivery of agreed outcome measures or failure to deliver outcomes, despite agreed remedial action as detailed in the relevant contract.

- A service does not deliver value for money, as demonstrated through financial review, utilising programme budgeting tools such as the Spend and Outcome Tool and other similar modelling tools.
- The investment in a service does not maximise the health gain that could be achieved by reinvesting the funding elsewhere.
- A service fails to meet the standards of a modern NHS as defined by the NHS constitution, professionally driven change and nationally driven changes.
- The service is unable to demonstrate clinical and cost effectiveness.
- The service provided is no longer the statutory responsibility of the CCG.
- The service is deemed low priority / of limited clinical value relative to other services that need to be protected or enhanced.
- The service is unsafe or of poor quality.

### **Process overview**

The process will be managed through a project management approach with a commissioning manager identified as project lead.

The Programme Management Office (PMO) will support the process by collating all key documents collated during the procedure.

The process for decommissioning or disinvestment is based around the following:

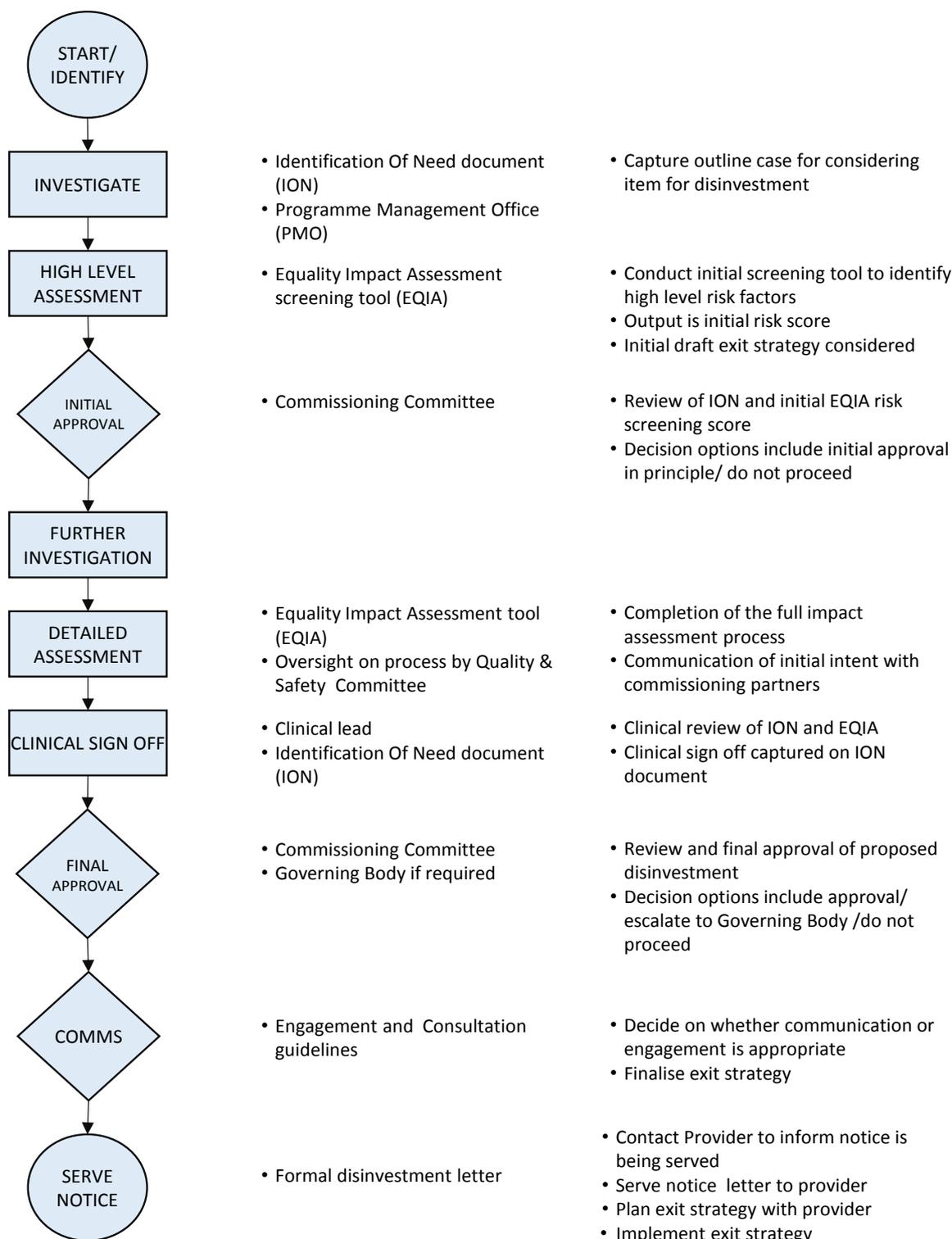
1. Identifying and capturing potential areas for decommissioning or disinvestment.
2. Conducting an initial high level desk top assessment of risk.
3. If approved in principle, a full project initiation process including Equality and Quality Impact assessment (EQIA) to investigate the impacts in greater detail.
4. Final approval (or decision not to proceed).
5. Deciding the appropriate level of communication, engagement or consultation.
6. Serving notice and implementation of the previously identified exit strategy working with the provider to transition patients and close the service.

Process flow chart

**PROCESS FLOW**

**TOOLS/  
RESOURCES**

**DESCRIPTION**



## **APPENDICES**

1. Identification Of Need (ION) template
2. Standard formal disinvestment letter template
3. Engagement and Consultation guidelines

1. ION template

Identification of Need (ION) - Disinvestments

<b>Project Ref:</b>	XXXX
<b>Project Name:</b>	XXXX
<b>Version:</b>	Final / Draft
<b>Author:</b>	
<b>Commissioning Manager:</b>	XXX
<b>Clinical Lead</b>	XXX
<b>Task &amp; Finish:</b>	XXX
<b>Project Start Date:</b>	XX/XX/XX
<b>Year One net cost / (saving):</b>	£0
<b>Overall project net cost / (saving):</b>	£0

<b>Finance assessment:</b>		<b>Equality &amp; Quality Impact Assessment (EQIA) Score:</b>	
Completed <input type="checkbox"/>	By:	0 to 25 (Low) <input type="checkbox"/>	
		-20 to -1 (Med) <input type="checkbox"/>	
		-35 to -21 (High) <input type="checkbox"/>	

Approvals

Authorising Body	Signature	Title	Date	Ratified / Approved
Director of Commissioning, Transformation & Performance				Y / N
Clinical Lead				Y / N

<b>Approved by Commissioning Committee:</b>			
<b>1<sup>st</sup> Stage:</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>2<sup>nd</sup> Stage:</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

**Note: This document is to be used in conjunction with the Disinvestment Policy.**

### Amendment History

Modified By	Date Modified	Version	Summary of Changes Made
<i>A N Example</i>	<i>dd/mm/yyyy</i>	<i>0.1</i>	<i>Draft format</i>
		<i>0.2</i>	<i>Amendments following review</i>
		<i>1.0</i>	<i>Final Version</i>

### Document Identification

The latest version of this document can be found in the following location:

### Document References

Title	Document Description	Document Location

### Distribution List

Name	Role	Date of Issue

## Identification of Need - Disinvestments

*Please provide an overview of the aims of the scheme, what it will achieve and how it will be structured. Please detail individual schemes, workstreams or initiatives that will contribute to the delivery.*

### 1. Description:

#### 1.1 Executive Summary

*[Highlights the key points in this document for the purpose of the Commissioning Committee]*

#### 1.2 Background

*A high level statement as to the reason for the project / scheme (include recent outcomes).*

#### 1.3 Aims

*What is the aim of the scheme? – e.g. to disinvest funding from XX.*

#### 1.4 Benefits

*Identify what the expected benefits of the disinvestment will be.*

#### 1.5 Dis-benefits

*Identify what the expected negative impacts of the disinvestment will be.*

#### 1.6 Timescales

*What are the estimated timescales for delivery (this should include key milestones taken from your project plan).*

#### 1.7 Resource

*Identify any resource needed to deliver the disinvestment.*

## 2. Major Risks

Identify any major risks.

Risk Ref No	Description	Category	Likelihood	Consequence	Inherent Risk rating
		- Compliance - Safety - Finance - Reputation - Quality - Workforce - Operational - Innovation - Partnerships	1 - Rare 2 – Unlikely 3 – Possible 4 – Likely 5 – Almost Certain	1 – Insignificant 2 – Minor 3 – Moderate 4 – Major 5 - Catastrophic	Likelihood x Consequence

Risk Matrix

Likelihood	Consequence				
	1	2	3	4	5
1	1	2	3	4	5
2	2	4	6	8	10
3	3	6	9	12	15
4	4	8	12	16	20
5	5	10	15	20	25

Risk Appetite

	Low 1-3	Moderate 4-6	High 8-12	Extreme 15-25
<b>Risk Appetite</b>	Not willing to accept any risk under any circumstances	Willing to accept some risk under some circumstances	Willing to accept risks that may result in identified impact	Accepts risks that are likely to result in identified impact

**Risk Appetite by Risk Category**

<i>Risk Category</i>	<i>Risk Appetite</i>
Compliance	3 – Low
Safety	3 - Low
Finance	6 – Moderate
Reputation	6 – Moderate
Quality	6 – Moderate
Workforce	6 - Moderate
Operational	12 – High
Innovation	12 – High
Partnerships	12 – High

**3. Financial Summary**

*Give a financial summary of your expected savings and who is responsible for managing the benefits realisation and over what period.*

<p><b>Benefits realisation manager:</b></p> <p><b>(i.e. the person responsible for managing the benefits realisation over the expected period)</b></p>	
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**First Year Expected Financial Changes**

**YEAR: 20XX**

<b>Month</b>	<b>Current Cost</b>	<b>Expected Investment</b>	<b>Expected Savings</b>	<b>Expected Net Savings</b>
<b>April</b>				
<b>May</b>				
<b>June</b>				
<b>July</b>				

August				
September				
October				
November				
December				
January				
February				
March				
<b>Total</b>				

#### 4. Considerations

Please indicate that you have considered / informed the following areas:

<b>Contracting &amp; Procurement</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>Performance</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>Information</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>Communication</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>Medicine Management</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>Human Resources</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>
<b>Programme Management Office</b>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

#### 5. Exit Strategy – (2<sup>nd</sup> Stage Approval)

*[Through consultation with provider please detail your agreed exit strategy]*

**2. Standard formal disinvestment letter template**

**[PROVIDER]**

Ref: SL/00[X/XX]

**[ADDRESS]**

**[POSTCODE]**

Attention: **[INSERT NAME AND JOB TITLE]**

**[DATE]**

Dear Sirs,

Further to our telephone conversation of **[DATE]** this is our formal notice of termination of **[NAME OF AGREEMENT]** dated **[DATE]** between **NHS Walsall Clinical Commissioning Group (CCG)** and **[NAME OF PROVIDER]**

On behalf of NHS Walsall CCG, I am writing to terminate contract ref: **[REF NUMBER]** dated **[DATE]** between NHS Walsall CCG and **[NAME OF PROVIDER]** Walsall (the "Agreement").

Clause **GC17.2** of the Agreement permits us to terminate the Agreement by giving you **[NUMBER IN WORDS] months** written notice.

Under clause **GC17.2** of the Agreement, this notice is deemed served on **[DATE]**. The termination of the Agreement will take effect on **[DATE]**, which is **[more than] [[NUMBER] [months' OR days']** from the date of deemed service.

For our records, please acknowledge receipt of this letter within seven days by signing, dating and returning the enclosed copy. Please note that the Agreement will terminate on the date of termination stated above even if you do not acknowledge receipt.

Yours faithfully,

.....

**Sarah Laing**

Director of Commissioning, Transformation & Performance

For and on behalf of NHS Walsall CCG

We acknowledge receipt of this letter.

Signed .....

**[NAME OF RECIPIENT]**

Date .....

Chair: Dr Anand Rischie    Accountable Officer: Paul Maubach  
**Jubilee House | Bloxwich Lane | Walsall | WS2 7JL**  
**T: 01922 618388**



### **3. Engagement guidelines**

Each decommissioned or disinvestment scheme is to be considered on an individual basis. Please refer to the NHS Walsall CCG Engagement and Consultation Guidelines.

The CCG's Communications and Engagement department can offer advice and support on selecting the most appropriate format for engagement/communication.

The methodology chosen and rationale behind the selected format for communications/engagement must be recorded within the Identification Of Need (ION) document.