One Care Consortium

Options Paper

Version control

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Contents

1. The Executive summary

This document should be read in conjunction with the One Care Business Plan – A New Business Plan for One Care Consortium.

Three options have been identified for the future of One Care Consortium;

Option 1 Continue as the vehicle for delivering the Prime Minister's Access Fund beyond March 2017

Option 2 In addition to Option 1 above, become the BNSSG wide consortium of General Practices

Option 3 Close One Care at the end of the current programme in March 2017

Option 2 is recommended for approval ie that One Care becomes the BNSSG wide consortium of General Practices

To enable this to happen, the governance arrangements will be changed to ensure GP practice leadership and ownership of the organisation.

2. Background

The recent events held by the Primary Care Foundation with BNSSG GP practices have supported the Executive Committee and Directors' view that One Care can develop a flexible framework for supporting practices at scale. This options paper is for presentation to GP practices across Bristol, North Somerset and South Gloucestershire (BNSSG) by the end of June 2016 to confirm support for the recommendation set out in Section 4.2 that One Care Consortium becomes the BNSSG wide GP Provider Organisation.

This options paper is designed to set out the options and recommendations for the future of One Care, stimulating debate and providing a framework for approval of the proposed recommendation at the extraordinary One Care General Meeting on 21 June 2016.

3. The strategic case for change

One Care Consortium was established in 2014 in order to bid for funding from the Prime Minister's GP Access Fund. Originally made up of 24 practices from across BNSSG, the organisation is now working with all of the practices and consider them as members of the Consortium.

Funding for the current programme ends in March 2017. In the light of NHS England's recent announcement of increased funding for General Practice, it is now understand that there will be additional funding available to continue some elements of the programme for a further three years. The detail behind this announcement is not yet known, or the criteria against which the funds will be given.

There are, however, various other forces at work in the NHS which need General Practices to be properly represented and speaking with one voice. The Sustainability and Transformation Plan (STP) Board in BNSSG requires General Practice representation and, in future, CCGs and Local Authority commissioners will want to negotiate with one GP organisation for services run at scale across the area.

These factors have persuaded the Executive Committee and Directors that One Care could be the organisation best equipped to serve and unite practices into that single voice of General Practice at various top tables. This has been supported in the discussions with the 3 CCGs, NHS England and the LMC.

The benefits of developing One Care into this role have been identified as follows:

- **The Sustainability and Transformation Plan** - The STP Board in BNSSG will require General Practice representation which cannot be adequately provided from the large number of individual practices or even federations

- **Commissioning** - In the future, CCGs and Local Authority commissioners will want to negotiate with one GP organisation for services run at scale across the area

- **Economies of scale** – a larger scale organisation will generate more opportunities for savings e.g. providing centralised services such as EMIS training, recruitment, back office, IT platform, reporting

- **Skills/knowledge and assets -** Retention of skills/knowledge and assets developed during One Care's lifetime

- **New Opportunities -** Developing and testing new ways of delivering primary care at scale

- **Access to skills to practices**–such as services they can't currently access easily or cost effectively e.g. project management, business planning skills

- **Gives practices increased ability to bid for and hold single contracts** at a CCG or pan-BNSSG level

- **Feedback from many practices -** suggests there is a role for a pan BNSSG consortium of GP providers

- **Major service transformation at scale –**This will require highly organised primary care as the bedrock

One Care already has a robust interim structure, reflective of the locality/CCG areas, that is ready to develop this role. We now need a mandate from the grass roots of General Practice to move forward. One Care needs to be owned by GP practices. To reach its potential, a robust governance structure is needed with every GP to be behind it, and every practice to own it.

The ambition for the future One Care is:

Supporting the delivery of collaborative, innovative and sustainable General Practice to patients registered with GP Practices across Bristol, North Somerset and South Gloucestershire, and to negotiate the best possible outcomes for General Practice with CCGs, NHS England, Hospital Trusts and Local Authorities.

Conclusion

The challenges facing General Practice are such that doing nothing is not a viable option, while the opportunities presented by the further development of One Care are significant in terms of both the benefit to GP practices and the wider system.

4. Options appraisal

This section sets out the following options for the future of One Care.

4.1 Option 1 DO NOTHING - Continued Role of One Care as the office to deliver the Prime Ministers Access Fund objectives only

Detail	**One Care could continue to deliver the Prime Minister's Access Fund programme with no wider remit** There is additional funding available to continue some elements of the programme for a further three years. Funding has been confirmed at £6 per head of population per year until 2018/19 when there will be an increase. The core minimum requirements associated with this funding relate to increased access to GP services for the BNSSG population by 2018/19 and tackling inequalities in access.
Funding	The programme office would continue to work to deliver the national agenda using the central funds available. It is likely that the programme office would reduce in size to reflect the income and the more focused criteria for Prime Minister's Access sites.
Benefit	This option would be the simplest to deliver. All funding as well as objectives and deliverables would be set for the organisation at a national level. The relationships that One Care has developed over the last three years would help the programme office deliver its agenda quickly and efficiently. The assets e.g. shared EMIS record would continue seamlessly The existing arrangements with NHS England and the CCGs would ensure a system wide approach.
Risks	One Care would not be able to represent GP practices at BNSSG level, therefore GP involvement in vital strategic decision making, such as the Sustainability and Transformation Plan, would be limited There would not be a BNSSG wide conduit able to receive national funds to deliver primary care at scale The voice of GP practice may not be heard at the 'top table' if a more fragmented approach is taken The opportunities to work more efficiently and collaboratively would be limited e.g. shared learning, reduced costs from purchasing power

	Viability of this as an option are questionable as choosing this option would imply that One Care does not have the full support of GP practices ie no confidence to approve Option 2 Programme Office staff (and therefore key skills) could leave as the funding will be reduced (at least initially) and the remit of One Care would be restricted to meeting national objectives.

4.2 Option 2 Develop One Care as the BNSSG-wide GP consortium

Detail	**Develop One Care as the BNSSG-wide GP consortium** In addition to delivering the national objectives of the GP Access Fund, One Care would act as the BNSSG wide GP consortium organisation. The ambition would be for One Care to become a strong voice for primary care, representing all BNSSG practices across the wider health community, accessing new sources of income and having more influence than independent practices This model would still enable independent practices to work closer together if they so wish. One Care would have a clear representative structure with elected representatives on the board (independently supervised by Avon LMC).
Funding	One Care has already demonstrated that by working together it can attract additional sources of income. The Prime Minister's GP Access Fund has attracted £10m over three years, with a potential for further funds over the next 4 years for improved access. New funding linked to the Forward View for General Practice and the STP (Sustainability and Transformation Plan) will be aimed at practices working together at scale and will be best managed across BNSSG through One Care. General practice has had to cope with a declining share of NHS income over the last decade. Therefore it would be inappropriate to view practices as a direct source of income for the foreseeable future. Any income from practices will only be for identified services for practices, not for the running costs of the organisation. CCGs are facing multiple demands on stretched budgets. One Care will need to work carefully with commissioners to explore how they can invest resources as effectively as possible by supporting practices working at scale through One Care. All other organisations across the NHS attract funding through contracts that offsets their running costs. One Care will look to do the same, covering core costs through winning contracts on behalf of practices.

	One Care will look to the wider health community for support in establishing an organisation that will make it easier for the wider NHS to work with general practice and, collectively, transform care and reduce costs. All surpluses will be reinvested back into patient services and member practices. ***One Care anticipated funding streams*** PM's GP Access Fund – final year of programme[1] PM's GP Access Fund – Up to 2018/19 Forward view for General Practice and STP Margin from successful contracts Support from wider health community
Benefit	The benefits of moving to a pan BNSSG wide GP organisation are as follows: The BNSSG Sustainability and Transformation Board will have appropriate General Practice representation and will therefore put GP practices in a stronger position in relation to the development of the plan. CCGs, NHS England and Local Authority commissioners will be able to negotiate with one GP organisation for services run at scale across the area. By being a single voice at the 'top table' primary care will be at the bedrock of any major service transformation GP Practices will be able to realise the benefits of economies of scale e.g. more opportunities for savings e.g. providing centralised services such as EMIS training, recruitment, back office, IT platform, reporting There will be retention of skills/knowledge and assets developed during One Care's lifetime It will provide opportunities for developing and testing new ways of delivering primary care at scale Practices will have access to skills they can't currently access easily or cost effectively e.g. project management, business planning skills Practices will have increased ability to bid for and hold single contracts at a CCG or pan-BNSSG level The relationships that One Care has developed over the last 3 years would help the programme office deliver its agenda quickly and efficiently.

	The assets e.g. shared EMIS record would continue seamlessly
Risks	Achieving pan BNSSG wide representation of GP practices will be difficult. It is unlikely that all practices will be able to agree on all areas at all times. Practices may become disinterested or disengaged. This will require One Care to develop robust engagement and communication processes. Alternative GP clusters, groups or federations are likely to be created, To maximize its effectiveness, One Care will need to work collaboratively with these, acting as a BNSSG umbrella organisation and working positively effectively with these other organisations This option will require significant work in relation to governance e.g. articles of association and board of directors. To ensure robust GP practice engagement, these will need to ensure that practices 'own' the new organisation Funding levels may be variable year on year or anticipated funding may not materialize. Therefore One Care will need to be clear on its objectives have robust financial planning and use the programme office workforce in a flexible way to respond to changing needs. Programme Office staff (and therefore key skills) could leave as the funding may be reduced (at least initially) and the remit of One Care would be changed. Not all practices may want to sign up to the new One Care, limiting its ability to represent itself as the BNSSG wide voice. Some practices may feel that One Care is for a few practices who have been involved since the beginning. The wider BNSSG system may not recognise One Care as the BNSSG wide GP practice organisation. One Care may not be able to deliver its objectives through a lack of skills or resources or may not be able to deliver its function as both a support service and an organisation able to bid on behalf of practices.

4.3 Option 3 Close One Care Programme Office on 31st March 2017

Detail	This would involve ceasing One Care on 31st March 2017 when the current Prime Minister's Access Fund ends.
Funding	None

Benefit	It would enable clusters or groups of practices to come together without the added complication of a BNSSG wide organisation, therefore potentially a simpler model.
Risks	There would be no organisation to deliver the next phase of the Prime Minister's Access Fund. An alternative may need to be developed with associated start up delays and costs. Current assets could be lost or lose their impact by being transferred Staff are likely to leave well before the end of the organisation, leading to a loss of skills in the programme office The benefits associated with Option 1 and 2 would not be achieved

5. Recommendation

Option 2.2 is recommended

Develop One Care as the BNSSG wide consortium of General Practices

Whilst there are numerous risks associated with this way forward, they can be mitigated through robust planning and engagement. There are significant benefits to be achieved and discussions to date suggest that there is support by BNSSG GP practices for this option.

6. Proposed activities for One Care

In its new role as the BNSSG wide consortium of General Practices, One Care could develop a variety of different roles which could help practices improve their services to patients, their efficiency or have a stronger voice as part of the wider system. Current thinking relating to these opportunities is being developed as part of a draft business plan for One Care as the BNSSG wide consortium of General Practices. They fall into the following areas:

Improving efficiency through sharing and learning across practices

Maintaining and extending a world class integrated IT platform

General Practice Workforce Development Strategy

Using Shared Purchasing Power

Supporting tenders across practices

Quality Improvement and Innovation – a learning network

Establishing a wider health system role

Delivering the Prime Ministers Access Fund objectives

7. Governance options

To deliver Option 2.2, One Care will need to be reconstituted in order to deliver the agreed functions and be truly representative of General Practice across the patch.

It is essential for General Practice to have both a sense of ownership of the new company and to feel in control. It is proposed to ask practices to become members of the new company and to pay a nominal £1 subscription per practice. Any surplus funds that One Care generates will be re-invested into the organisation to enable it to further develop its services for its member GP practices.

7.1 Organisational form

Appendix 1 sets out the options for the organisational form for One Care to act as the BNSSG Provider Organisation. These are as follows:-

- Company Limited by Shares
- Company limited by Guarantee
- Community Interest Company
- Industrial and Provident Society
- Charity
- Limited Liability Partnership

It is proposed that the new One Care will be a company limited by shares. A company limited by way of shares is one of the most flexible vehicles to use in terms of business (whether healthcare or otherwise). It offers the opportunity for a number of individuals, practices, organisations to have shares in the company and invest based on list size or other criteria. It also enables the company to issue different classes of share in terms of raising investment in the future and those classes of share can have any rights, determinable by the company, attached to them. For example, individuals or organisations may invest, but without voting rights, if the company wishes to keep control limited to GPs.

The vehicle is regulated by Companies House and corporate law and there are fixed rules of operation.

The biggest advantage is limited liability; so that the personal liability of directors is limited (save in extreme circumstances such as fraud), and the liability of the company is also limited to the amount of share capital. Where investors are concerned, liability is limited to the amount of unpaid share capital only. Investors are therefore not liable for anything more even if the company is in debt which exceeds its assets.

There are no caps or restrictions on dividend issue or asset transfers like a CIC.

7.2 One Care Board

The articles of association will set out the specific governance details. It is anticipated that the One Care board will be made up of company directors plus other board members e.g. LMC representative, One Care Chief Executive. There will be no less than eight company directors and each will represent a BNSSG area or locality. One of the directors will also act as the Chair of the company. Company directors will be elected by practices using a fair and equitable voting process overseen by the LMC.

A One Care company director may be a GP Partners /Salaried GPs, Practice Managers or other healthcare professionals working in GP practices. It is anticipated that One Care directors would not hold directorships of other organisations which could result in a conflict of interest.

The role of the One Care Board will be to:

- Determine One Care's strategic objectives and policies;
- Monitor progress towards achieving the objectives and policies;
- Appoint senior management;
- Account for the company's activities to relevant parties, specifically BNSSG GP practices.

The role of the LMC will be to ensure that the interests of all practices are managed appropriately, equitably and fairly and will independently facilitate the process of nominating and voting for Board members.

8. Next steps and timeframe

If the recommended option is approved by BNSSG GP Practices during June and ratified by the Executives, the next steps will be to further develop the business plan and transition plan. A detailed project plan has been developed.

The key milestones are set out below:

Produce new articles of association	By 31st July 2016
Agree subscription process and timeframes	By 31st July 2016
Run company director appointment	By 31st July 2016
Confirm and formally appoint company directors	By 31st July 2016
Develop an engagement strategy	By 31st August 2016
Finalise short and medium term objectives and business plan	By 31st October 2016
Run AGM	By 30th November 2016
New One Care established in Shadow format	By 1st December 2016
New One Care established	By 31st March 2017

Appendix 1

The options for company format are set out in the toolkit to support the development of primary care federations developed by the Kings Fund, Hempsons and the Nuffield Trust.

1. COMPANY LIMITED BY SHARES

Key Features

- An incorporated entity formed for the purpose of operating a business.
- Commonly used for profit-maximising businesses in the private sector, but can be adapted to incorporate social enterprise characteristics.
- Owned by its members ('shareholders') whose liability is limited to the amount unpaid on their shares (this is what is meant by 'limited liability').
- In exchange for shares, the members are commonly entitled to a distribution of profits by way of dividends. They are also able to benefit from capital appreciation in the value of the business by selling their shares to third parties (provided there is a market for them).
- Shares can be formed in different classes in order to attach different rights to each class. So, for example, employees can own a distinct class of shares.
- A two-tier structure separates ownership and management: the daily control and management of the company is delegated to the Board of Directors. Members can remove directors and usually reserve the right to appoint them also.

Advantages and Disadvantages

- The benefits of incorporation: a separate legal entity independent of its shareholders or members, and limited liability: beyond paying for their shares the shareholders or members have no further liability for the debts or obligations of the company.
- Offers a range of methods for raising finance. It can be financed by grants, loans (secured and unsecured) and by equity. Dividends are paid from generated surpluses and are not, therefore, a cost of the business (unlike interest on a loan). Shareholders are only rewarded if there are profits available for distribution.
- Eligible to hold a PMS, GMS, SPMS, and APMS contract under the NHS Act 2006, and provided that it meets the right ownership criteria can qualify as an Employing Authority for the purpose of accessing the NHS Pension Scheme under the NHS Pensions Scheme Regulations 1995 (the Regulations).

2. COMPANY LIMITED BY GUARANTEE (CLG)

Key features

- An incorporated entity, owned by members whose liability is limited by the guarantee that they give to the company (usually up to £1) rather than shares.
- Shares the same two tier governance structure as a CLS.

Advantages and Disadvantages

- The classic not-for-profit vehicle – a relatively simple structure conferring the benefit of limited liability while making it difficult to dispute profits and so allowing any surpluses to be applied for the company's purposes instead.

- This type of company can also be registered as a Community Interest Company (CIC) under the Companies (Audit, Investigation and Community Enterprise) Act 2004, or as a charity, provided that a charitable purpose can be demonstrated (this may offer tax benefits but the entity will be subject to the Charity Commission's highly regulated regime).
- A CLG which has a contract with a PCT to provide Out-of-Hours services, or which is sub-contracted by a GMS/PMS/SPMS practice or an approved APMS contractor to provide Out-of-Hours services, can be an Employing Authority for the purpose of accessing the NHS Pension Scheme.
- The fact that there are no shares means that it is difficult to realise income and capital value in the business. It is also not possible to raise funds through equity finance.

3. COMMUNITY INTEREST COMPANY (CIC)

Key Features

- Specifically designed for organisations wishing to further social objectives and reinvest profits for the public good. Used for organisations that do not require, or cannot obtain, charitable status, since a CIC cannot be registered with the Charity Commission.
- Must be set up in the form of either a CLS or a CLG. The laws and characteristics relevant to the CLS or CLG model therefore apply to a CIC, depending on which form the CIC adopts.
- Must satisfy a community interest test ('whether a reasonable person could consider the CIC activities to benefit the community'). An annual public report is required detailing activities undertaken to pursue the interest and involvement of stakeholders.
- Regulated by the CIC Regulator and the regulation is intended to be 'light touch'. However, the CIC Regulator will respond to complaints from stakeholders and has considerable powers to act to protect the community interest.
- Prohibited from transferring its assets, other than for full consideration, except to another asset locked body (such as a CIC or a charity or where the transfer is made for the benefit of the community. For this reason a CIC's constitutional documents will incorporate an asset lock as well as a cap on distribution of profits (see below).
- Can accept grants and take out secured and unsecured loans in the same way as any other type of company. A CIC set up in the form of a CLS will also be able to raise equity finance from external investors.
- A CIC set up in the form of a CLS is able to distribute dividends to members of (from April 2010) up to 20% of the paid up value of shares. There is a total cap on distribution of profits of 35% - in other words, at least 65% of profit must be reinvested in the company.

Advantages and Disadvantages

- The use of a CIC presents a number of benefits: social enterprise objectives incorporated in its constitution (income and asset lock); separate legal entity and limited liability to members; monitored by a regulator to ensure adherence to the community interest test; profit and not-for-profit options available; public recognition as a social enterprise.
- A CIC set up as a CLS, can qualify as an Employing Authority for the purpose of accessing the NHS Pension Scheme, subject to putting in place the right contractual and ownership arrangements. Also, the ability to offer dividend payments allows a CIC set up as a CLS to attract external investors and reward shareholders financially.

4. INDUSTRIAL AND PROVIDENT SOCIETY (IPS)

Key features

- An incorporated entity which operates a business either as a co-operative or for the benefit of the community (Bencomm).
- Both types of IPS have a share capital, but it is usually not made up of equity shares like those in a CLS (which can appreciate or fall in value); rather they are par value shares, which can only be redeemed (if at all) at face value. The profits and losses of an IPS are thus the common property of the members. The share typically acts as a "membership ticket", and voting is on a "one member one vote" basis. Profit distribution is permitted.
- An IPS Bencomm may be classified as an 'Exempt Charity' under HM Revenue and Customs (HMRC) rules to give it broadly the same benefits as a registered charity (it cannot obtain charitable status through the Charity Commission).
- A Bencomm which is not an Exempt Charity may opt to incorporate an asset lock in its constitution similar to the statutory asset lock for CICs.
- An IPS has a two tier governance structure, with a committee of management accountable to a wider membership.

Advantages and Disadvantages

- An IPS set up as a not-for-profit body corporate, which has a contract with a PCT to provide Out-of-Hours services, or which is sub-contracted by a GMS/PMS/SPMS practice or an approved APMS contractor to provide Out-of-Hours services, can be an Employing Authority.
- The IPS model can be inflexible and cumbersome to operate in practice. The existing piecemeal legislation is complex and its review and consolidation is currently underway.
- Co-operative societies are run for the mutual benefit of their members, with any surplus usually ploughed back into the organisation to provide better services and facilities.
- Bencomm societies are run for the benefit of the community and provide services for people other than their members. There need to be special reasons why the society should not be registered as a company. A Bencomm is likely to be more suitable for a social enterprise than a co-operative society where services are provided beyond the membership.

5. CHARITY

Key Features

- An organisation (including a social enterprise) must be set up for the public benefit and must have, and carry out, wholly charitable purposes and activities. It will not be possible to set up a healthcare charity which has the benefit of its employees as its charitable purpose. It is entitled to trade as the means of delivering its objects without being subject to corporation tax on profits from primary purpose trading.
- It can be set up as a CLG, a Charitable Incorporated Organisation (CIO) or as an incorporated organisation, usually an association of members or a trust.
- A CLG is the classic charitable vehicle – it is a relatively simple structure conferring the benefit of limited liability on members and allowing any surpluses to be applied for the company's purposes. Employees can be members of a charitable CLG. A charity

established as a CLG will be subject to dual registration with Companies House and the Charity

- Commission and will be regulated under both company law and charity law.
- Apart from reimbursement of expenses, directors of a charitable CLG can only receive a financial benefit from the charity (including remuneration) with the consent of the Charity Commission. This means that CLG charities are required to separate the Board of Directors from the management team, creating an extra layer of governance.

Advantages and Disadvantages

- The main advantage of a Charity is its tax regime. This is off set by heavy regulation by the Charity Commission.
- A Charity which has a contract with a PCT to provide Out-of-Hours services, or which is sub-contracted by a GMS/PMS/SPMS practice or an approved APMS contractor to provide Out-of-Hours services, can be an Employing Authority.
- A Charitable Incorporated Organisation (CIO) is a proposed new form of incorporated legal entity with charitable status. It will be regulated by the Charity Commission rather than Companies House,but a date has not yet been fixed for its introduction.

6. LIMITED LIABILITY PARTNERSHIP (LLP)

Key features

- The Limited Liability Partnerships Act 2000 was introduced to provide an element of protection from unlimited liability for the members of a partnership formed as an LLP, whilst allowing the LLP to be taxed in the same way as a partnership governed by the Partnership Act 1890.
- Where an LLP is used to carry on a trade or a profession (but not if it is used to make investments), it will be treated for most UK tax purposes in the same way as an ordinary Partnership.
- Popular with professional partnerships, as members with a larger share of the profits bear a larger proportion of the overall tax liability but they all benefit from limited liability
- In other respects a LLP is very similar to a CLG. It is a body corporate (i.e. it is a legal personality separate from its members) with unlimited capacity. It is a single tier structure(i.e. the members are the equivalent of directors of a company and vice versa).
- Generally two or more persons, including corporate bodies, associated for carrying on a lawful business with a view to profit, are allowed to form an LLP. There are two categories of membership: ordinary and designated. Designated members have the same rights and duties towards the LLP as the ordinary members. These mutual rights and duties are governed by the LLP agreement and the general law. However, the law also places extra responsibilities on designated members. Every LLP must have at least two designated members at all times. If there are fewer than two designated members then every member is deemed to be a designated member.

Advantages and Disadvantages

- Retains the organisational flexibility of a partnership with which GPs are very familiar and is taxed as a partnership but members have the benefit of limited liability.

- LLPs are not eligible to hold a PMS or a GMS contract and as such will not be eligible to qualify as an Employing Authority for the purpose of the NHS Pension Scheme under the Regulations.