

**CCG REPORT COVER SHEET**

<b>Meeting Title:</b>	<b>Primary Care Commissioning Committee in Public</b>	<b>Date: 12 March 2019</b>	
<b>Report Title:</b>	<b>Application to Merge Octagon GMS Contract with Priory Fields Surgery and Clarkson Surgery</b>	<b>Agenda Item: 3.1</b>	
<b>Chief Officer:</b>	Dr Mark Sanderson – Medical Director		
<b>Clinical Lead:</b>	Dr Mark Sanderson – Medical Director		
<b>Report Authors:</b>	Dawn Jones/Alice Benton CCG Primary Care Team		
<b>Document Status:</b>	Final		
<b>Report Summary:</b>	The Committee is asked to review and consider the details of the application to merge the Octagon GMS contract with Priory Fields Surgery, Huntingdon and Clarkson Surgery, Wisbech and to reach a decision on whether to approve the application to merge.		
<b>Report Purpose:</b>	<b>For Assurance</b>	<b>For Decision</b>	<b>For Approval</b>
		<b>X</b>	
<b>Recommendation:</b>	The Recommendation to The Committee is to defer the decision for a further 4 weeks to enable further due diligence to be undertaken.		
<b>Link to Corporate Objective:</b>	<b>Objective 1 – Delivering the Improvement Plan for 208/19 and beyond;</b>		
	<b>Objective 2 – Delivering the Financial Plan for 2018-2019</b>		
	<b>Objective 3 – Delivering national must dos and service priorities set out in the National Planning Guidance</b>		
	<b>Objective 4 – Ensuring clear oversight of patient safety and quality</b>		
	<b>Objective 5 – Ensuring robust governance arrangements are in place to ensure the CCG delivers its statutory duties</b>		
	<b>Objective 6 – Ensuring delivery of robust engagement and communications plans to support delivery</b>		
<b>CAF (Strategic Risk) Reference</b>	<b>Description of Risk</b>		<b>Current Risk Score</b>
CAF02	Failure to deliver service transformation due to pressures and challenges facing primary care, and insufficient or uncoordinated resources for commissioning primary care		<b>12 (Amber)</b>
<b>NHSE CCG IAF Links</b>	<b>IAF 1 Domain 1 - Better Health</b>	x	
	<b>IAF 2 Domain 2 - Better Care</b>	x	
	<b>IAF 3 Domain 3 - Sustainability:</b>	x	
	<b>IAF 4 Domain 4 – Leadership</b>		
<b>Resource implications:</b>			
<b>Chief Officer/ SRO Sign Off:</b>	Jan Thomas, Accountable Officer		
<b>Chief Finance Officer Sign Off: (if required)</b>	Not Required		
<b>Legal implications including equality and diversity assessment:</b>	Failure to deliver on the Statutory duties of the CCG under Delegated Commissioning		
<b>Conflicts of Interest</b>	None		
<b>Report history:</b>	None		
<b>Next steps:</b>	Further due diligence to be undertaken to enable the Committee to be assured of the quality, delivery and consistency of the clinical model in the context of the rapid expansion that the Octagon contract has experienced.		

**MEETING: PRIMARY CARE COMMISSIONING COMMITTEE IN PUBLIC**

**AGENDA ITEM: 3.1**

**DATE: 12 MARCH 2019**

**TITLE: APPLICATION FROM OCTAGON MEDICAL PRACTICE TO MERGE  
GMS CONTRACTS WITH PRIORY FIELDS SURGERY, HUNTINGDON  
AND CLARKSON SURGERY, WISBECH**

**FROM: ALICE BENTON – ASSOCIATE DIRECTOR OF PRIMARY CARE CCG  
DAWN JONES - HEAD OF PRIMARY CARE COMMISSIONING CCG**

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## **1 ISSUE**

- 1.1 This Report sets out the application to merge Octagon Medical Practice (D81022) with Priory Fields Surgery, Huntingdon (D81010) and Clarkson Surgery, Peterborough (D81011) to form a single practice serving over 108,000 patients. All three practices currently hold GMS contracts. Should the merger be approved, the GMS contract for D81022 Octagon will be retained.

## **2 KEY POINTS**

- 2.1 This is the fourth merger application to be presented to the Primary Care Commissioning Committee (PCCC) from Octagon Medical Practice within the past 12 months. In this time period, the practice has received approval to grow from to 84,000 patients in the Greater Peterborough area. If approved, this application would see the list increase to 108,000 patients. The Committee should also be aware that a further merger application for Octagon is currently in the pipeline which, if approved, would add a further approx. 9,500 patients to the list– giving a total nearing 118,000 registered patients. The Committee may consider this rapid growth as a risk.
- 2.2 This current application proposes the merger of three practices which are located in three separate geographies within the CCG footprint. A merger would result in a single practice with three distinct and separate boundaries. This could present challenges with patient referral pathways to secondary care and community services. It also presents issues with the implementation of Primary Care Networks as outlined in the recently published GP contract changes and the NHS Long Term Plan. In addition, the Carr-Hill weightings of the Clarkson and Priory Fields practices appear very different from each other which may suggest that the demographics are different, although the application submitted by the practices indicates that they feel that the demographics are similar.
- 2.3 The application indicates that both Clarkson and Priory Fields would become part of the GPN federation as Octagon members. Priory Fields would also maintain its membership of the local federation in Huntingdon. The application indicates that the federation leads

have supported this proposal. As branches, it is not typical that membership of federations is distinct from the main practice.

### 3 RECOMMENDATION

- 3.1 The Recommendation to the Committee is **to defer the decision for a further 4 weeks** to enable additional due diligence to be undertaken.

### 4 REASON FOR RECOMMENDATION

- 4.1 The Committee should consider the risks associated with the rapid growth of this single provider and the inability to assess or quality assure the impact of the mergers to date, given the pace of these merger applications being approved by the Committee.
- 4.2 Consideration also needs to be given to the design and configuration of the emerging Primary Care Networks and what this will mean for local commissioning going forward given that these two GMS Providers sit outside of the natural geography of the Octagon Practice.
- 4.3 Allowing additional time to be more sufficiently assured of the clinical model in terms of its quality, delivery and consistency will enable the Committee to make an informed decision. It also allows time for the more detailed guidance for the recent GP contract changes to be received and considered for the purposes of this application.

### 5 BACKGROUND INFORMATION

- 5.1 The joint application is set out in **Appendix 1** of this paper. Patient populations for Octagon, Priory Fields and Clarkson are shown in the table below. It should be noted that list sizes are shown as at 01/01/2019. The Octagon list size is calculated showing the combined list sizes of Octagon with Thomas Walker and Bretton as the merger of these 3 practices has already been approved and will be effective from 01/04/19. Until the clinical systems of these practices merge, it is not possible to obtain a Weighted List size for D81022.

Practice	Actual	Weighted list size
<b>TOTAL D81022 OCTAGON @ 01/01/2019</b>	<b>83,972</b>	See note above
D81010 Priory Fields	12,207	11,723.02
D81011 Clarkson	12,044	13,742.14
<b>Combined Total</b>	<b>108,223</b>	

- 5.2 Whilst the term 'merger' is used to describe the application, the Committee should be aware that contractually, approval is being sought for the termination of contracts for D81010 Priory Fields and D81011 Clarkson and the transfer of all patients from these terminating contracts to the remaining GMS contract (D81022 Octagon).
- 5.3 The Committee should consider that in agreeing to terminate the Priory Fields and Clarkson GMS Contracts there is a risk of challenge as the application being considered does not provide for any market testing/procurement in securing primary care services for

the patients of the terminating practices. Both Priory Fields and Clarkson practices have list sizes in the region of 12,000 which could be attractive to 3<sup>rd</sup> party providers if a legal challenge were made. This risk is somewhat mitigated by the fact that termination is only being sought in the circumstances of the merger. NHS England has not received advice of any partnership changes from either Priory Fields, Clarkson or Octagon to indicate that all GP partners are already signatories within both contracts, however the supporting documentation of the application indicates that the partners of both have agreed to join the Octagon partnership.

5.4 In their application, the practices set out the primary benefits of merging as:

- Patients will see no reduction in services during or post-merger
- Branch hours will not change, and Octagon are looking to offer a 7-day service.
- Patients will have secure long term viable care under octagon due to its size and number of Partners
- Continuity of care and named clinical team across all branches
- The clinical model will shape around a telephone first based service.
- The Octagon Board would allow member practices (branches) to decide what level of functionality would be adopted. The proposal is to have the new clinical model in place six-month post-merger.
- Octagon have enrolled in PCLC (Primary Care Leadership Collaborative Health Education England) to pilot ways of delivering chronic disease management using heart failure as an example.
- Branch PPG's will be retained and promoted.
- Investment in new technology will mean patients will have additional engagement methods for consultations, these will include video consultations.
- Octagon offers a separate ENT clinic for its patients which went live on 1<sup>st</sup> February 2019.
- A larger team of clinical staff mean doctors and nurses can focus on specialist areas instead of having to refer patients to secondary care.
- Bigger practices are more attractive to new staff, both clinical and non-clinical.
- Octagon is developing as a teaching hub for medical students and continued GP specialty training and developing the Practice Nurse curriculum and other allied clinicians.
- Patients will have a choice of location.
- Properties across Octagon can be better utilised, and this will allow Octagon to adapt and create more clinical space.
- The demographics of the proposed branches are similar meaning that very little change needs to be made to allow access for all existing patients in the merged practice.
- Whilst these locations are Huntingdon and Wisbech, as part of Octagon, patients will still maintain access and continuity to a local service but will also benefit from the clinics and services which will be available across all branches.

## 6 PREMISES & BOUNDARY

6.1 The map at **Appendix 2** shows the current locations of Octagon's boundary and the boundaries of Clarkson and Priory Fields.

6.2 The practices have stated that Thorney Medical Practice, Wisbech Road, Thorney, Peterborough, PE6 7UX will be listed within the contract as the main surgery, with Priory Fields and Clarkson becoming branches located at:

- Priory Fields Surgery, Nursery Road, Huntingdon, PE29 3RL
- Clarkson Surgery, Dehavilland Road, Wisbech, PE13 3AN

6.3 In addition to the existing branch surgeries of the Octagon Medical Practice listed below:

- Eye Medical Centre, High Street, Eye, Peterborough, PE6 0SD
- Nene Valley Medical Practice, Peterborough PE2 5GP
- Jenner Health Centre, Turners Lane, Whittlesey PE7 1EJ
- Westgate Surgery, Boots Queensgate, PE1 1NW
- Hodgson Surgery, Hodgson Centre, Werrington Peterborough, PE4 5EG
- Park Medical Practice, 164 Park Road Peterborough PE1 2UF
- Minster Medical Practice, 87-89 Princes Street, Peterborough, PE1 2QP
- Huntly Grove Practice, Thomas Walker MC, Peterborough PE1 2QP
- Thomas Walker Medical Practice, Princes Street, Peterborough, PE1 2QP
- Bretton Medical Practice Rightwell East, Bretton, Peterborough, PE3 8DT

6.4 The Committee should be aware that, if agreed, practices are able to vary branch opening and service provision without further consent/contractual variation being required, providing the practice maintains core service hours (8am – 6:30pm) across their sites.

6.5 Both Priory Fields and Clarkson premises are GP owned, purpose-built facilities.

## 7 DISPENSING

7.1 **The Clarkson Surgery** currently has Dispensing rights; Priory Fields does not. Subsequent confirmation has been received from the applicants that they understand that they may only continue to dispense to the patients of Clarkson in line the dispensing rights currently held.

## 8 PATIENT CHOICE

8.1 The proposed merger does not impact the choice of practices available to patients who reside in Wisbech or Huntingdon.

## 9 SERVICES

9.1 The application indicates that there would be no reduction in services to patients and as the result of a merger, and the merged practice would continue to participate in all enhanced services moving forward. Octagon practice has recently been awarded the Special Allocation Scheme by the CCG for Peterborough, Huntingdon and Cambridge and has implemented an ENT service for its registered patients.

## 10 PATIENT CONSULTATION

10.1 Staff were informed of the proposed merger in October 2018. It was confirmed there would be no staff changes or redundancies.

10.2 Information provided with the application (included at **Appendix 3**) indicates that the following Patient Engagement has been undertaken:

- Posters in practice premises and leaflets for patients
- Emails and SMS text messages

- Meeting with the PPG of Priory Fields (15 January 2019, minutes received – see extract below)  
**Extract** “it was clear members were re-assured by what Mr Ball had stated. It was noted however that the decision to join Octagon was one taken by the partners alone.”
- Patient open evening for Priory Fields (19 February 2019, notes received, attended by 26 patients, apologies from HealthWatch)
- Patient open evenings for Clarkson (30 January and 5 February 2019, notes received, attended by 34 and 42 patients respectively)
- Social media campaigns
- Article published in Fenland Citizen re Clarkson merger with Octagon
- General information on practice websites:
  - Priory Fields website does have brief information about the merger, but it is not very prominent;
  - Clarkson website has an announcement on the front page with a link to more detailed information.

## 11 CONSIDERATION

11.1 From the application, there are a number of points for the Committee to consider whether the merger would:

- Achieve improved resilience and security in the delivery of services;
- Achieve economies of scale both operationally and managerially;
- Improve ability to recruit and retain clinical workforce;
- Improve future ability to increase services available to patients;
- Provide opportunity to increase effective utilisation of specialism within the clinical team to support improved delivery of patient care;
- Reduce referral into secondary care for acute and chronic conditions;
- Provide more flexible access to practice sites;
- Allow potential for a reduction in the services delivered from branch surgery sites without further consent or contractual variation being required;
- Allow potential negative impact on patient access to enhanced and additional services should the practice change their delivery to only offer these via specific specialised clinics at particular branch sites;
- Have any impact on current secondary and community pathways.

11.2 As noted previously, there is a risk of challenge in agreeing to disperse patients to a single existing provider without the CCG having explored market options for the patients and the risk of setting a precedent for future practice mergers. The addition of a further 24,251 patients resulting in a list size of over 108,000 is likely to attract attention and potential challenge. This risk is somewhat mitigated by the fact that termination is only being sought in the circumstances of the merger.

11.3 The Octagon Practice has grown substantially in a very short period of time: in the space of 12 months the list has grown to almost 84,000, with this proposal adding a further 24,000 patients. The Committee may wish to consider the impact of this rapid growth in their deliberations.

11.4 Over the past 12 months, the CCG has been working with and supporting the growing number of practices concerned in their desire to realise Octagon’s vision for one contract to provide services to their joint population. The support of the achievement of scale is

not reduced or withdrawn, however the method to achieve it via the single patient list when there are clearer gaps between geographical areas is to be questioned. This is heightened at this time when the recently published GP contract changes introduce a new network contract, centred around practice registered lists which must be agreed by the end of May 2019. Each Primary Care Network must have a boundary that makes sense for its constituent practices, other community-based providers and its local community, and a CCG must have no geographical or population gaps. It will be important to consider how extending the merged list into the towns of Huntingdon and Wisbech would impact on the other practices in the towns and the achievement of networks supporting the natural communities.

## **12 IMPACT ASSESSMENT**

- 12.1 The practice has completed an Equality Impact Assessment which is included at **Appendix 4.**

## **13 CONCLUSION**

- 13.1 The application demonstrates a clear ambition for Octagon to continue to create a large scale entity that helps build resilience supported by a new business model. However, the CCG has not had the opportunity to fully understand the impact of supporting such a large scale single provider. Given this application is to merge providers across different geographical boundaries with differing patient demographics served by different acute and community service teams, commissioning local service provision to this diverse single list size would prove challenging and would likely impact on patient care. Therefore, it is recommended that further time is taken to understand these implications before a decision is reached.

**Author**            ***Alice Benton – Associate Director of Primary Care CCG***  
***Dawn Jones – Head of Primary Care Commissioning CCG***  
***5 March 2019***

<b>Appendices</b>	<b>Appendix 1</b>	Merger Application
	<b>Appendix 2</b>	Proposed Boundary Maps
	<b>Appendix 3 (a-e)</b>	Patient Engagement Documents
	<b>Appendix 4</b>	Equality Impact Assessment