Strength in numbers for aspiring federations

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GP practices at the beginning of their federation journey have been encouraged to consider organisational size and strength as crucial elements to their plans.

A cross-section of healthcare representatives – including GP practices, CCGs, area teams, acute care, voluntary sector and the pharmaceutical industry – were able to learn from the experiences of successful federation leaders at recent PCC events in London and Leeds.

The *Federating for the Future* speakers, with vast experience of leading established provider organisations, shared tips for success and spoke of potential pitfalls.

"If you are setting up or thinking of setting up a federation, you need to have a considerable degree of strength, you need to have organisational resilience," said GP Dr Phil Yates, chair of Bristol-based GP Care and chair of the recently-launched National Association of Provider Organisations (NAPO), a network for GP provider companies and others focused on the 'out of hospital' sector.

"You need to have the ability to win contracts in the face of the commercial challenges that would confront any independent organisation. There is quite a spread in terms of the membership size of federations and one current concern is that some local groups are trying to set up federations with just small amounts of support from their member practices.

"Furthermore, commissioners should not be afraid of providing support to federations. There are examples of bullish commissioners who have shown a willingness to support federations in the face of what some might perceive as risks of challenge. Some federations have won work but, counterintuitively, not from their local CCG but from neighboring areas. Commissioners need to learn to trust their federations – at the moment some seem to be paralysed over perceived conflict of interest with organisations with GP owners. As such, it is important that federations work on their relationships with commissioners.

"Leadership strength and capabilities in those establishing federations are also variable. The view from all speakers at the events was that once you have put in an operational management team or development team, then you are able to grow. However, some federations are trying to get by with volunteers or a small support team and the result of this will be that they will struggle to get their contracts over the line."

Strength in numbers and robustness in resource are themes that have been echoed by fellow leading federation expert, David Pannell, chief executive of Suffolk GP Federation. "The main issue is one of under-capitalisation – many federations do not have enough money. For the Suffolk Federation our practices put in 30p per patient, it's a standard model but we were fortunate because we had an existing organisation and some things in place like IT.

"Many of the federations being set up appear to be too small and might fail – you need to have a population of at least half-a-million. Some federations are looking at half or a third of the practices in their area forming the federation and there is simply not enough power in there."

Pannell also encouraged federations to identify real and substantial sources of revenue and to not only develop a robust business plan but to test it out. Sound financial management and planning is essential and federations need to source expertise in this area according to Dr Mike Smith, GP and chief executive of the Camden-based Haverstock Healthcare.

"They need a good money person," said Smith. "You cannot expect the finances to be overseen by a practice manager as part of their day job. The first person we invested in was someone who understood major NHS finance. I don't think in terms of profit, I know they call it the not-for-profit sector, but to me it's about not going bust. I think we're all about 'not-for-loss' and because of this we are very much on top of our financial position."

Emerging GP federations seeking to deliver against the NHS Five Year Forward View need themselves to establish a clear vision – that is the view of a number of leading figures within the federation movement.

"Those who are currently setting up federations must agree a vision and ethos – what is it that you want your federation to do? You cannot answer any other questions before you have established the vision," said Dr Mike Smith, GP and chief executive of Haverstock Healthcare, based in Camden, London.

Smith recently presented at two *Federating for the Future* events in London and Leeds, run by PCC that looked at how general practice and other primary care services could play a much stronger role at the heart of a more integrated system of community-based services.

"Federations being established at the moment may have established a coalition of the willing, they may have started bidding for contracts, but that is not enough. I would hate in six to nine months or so for people to say federations are being set up to simply protect the model of primary care. It is up to federations to consider their vision – what do they want to do? If they can answer that, the rest becomes a lot easier.

"Our vision in Camden is to have a primary care service that is accessible, equitable and of high quality for all patients. For all of our services and any contracts we consider going for, we bring it back to that test. If it doesn't fit the vision we will either re-negotiate or pull out. Our vision serves a clear purpose - it is not just rhetoric.

"My view is that federations are not properly considering their vision. They have all felt the need to federate but they need to ask themselves what is the purpose of federating. We have decided that our purpose is to achieve three main objectives – to assist GPs by way of resources in delivering services, to look beyond traditional practice and more towards what primary care does in terms of the urgent care centre or a weight management service, and finally, to support the organisation of back office functions such as shared HR, learning, IT and governance."

The importance of a guiding vision is supported by David Pannell, chief executive of Suffolk GP Federation. Pannell, a keynote speaker at the *Federating for the Future* event in London, said: "In setting up federations, people tend to jump in to forming the board or stating that they want to do this or do that. We wanted to look to the long term, to consider what were we trying to achieve and how will we know when we get there. Working in a federation will be different for GPs to what they have done before.

"The vision for Suffolk is to have practices working collaboratively and to have primary care at scale, so that our impact is like that of a hospital across a whole population, delivering parts of the system that other areas of the NHS cannot deliver.

"My view, based on my business background, is that primary care has lost its market share. Hospitals have taken more and more of the budget - our vision is for the expansion of primary care."

Further support for a visioning approach came from GP Dr Phil Yates, chair of Bristol-based GP Care and chair of the recently-launched National Association of Provider Organisations (NAPO), a network for GP provider companies and others focused on the 'out of hospital' sector.

Yates said: “Setting up a group of practices as a federation without a clear idea of what they are trying to achieve is a recipe for disaster. Time must be spent with the constituent practices in the development stage to work up a vision.”

Yates pointed to the support in this area that is available to federations from NAPO and the PCC including events, training and networking opportunities to share best practice and influence policy makers. He said people could register their interest for such opportunities by emailing napc@napc.co.uk. See also the PCC website for details of events and other services.