

NORTH COAST COLLECTIVE



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North Coast Collective

Governance Framework

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North Coast Collective Governance Framework

1. North Coast Collective will deliver better health outcomes

The purpose of North Coast Collective (NCC) is to support people of the North Coast to live their best and healthiest lives by implementing a shared regional approach to improve health outcomes.

NCC is central to the future achievement of lasting health outcomes for the people of the North Coast. Creating long term health outcomes is enabled by a whole of system approach that supports the delivery of evidence-based health care in the region. A collaborative cross sectoral approach is required to direct the vast resources the North Coast collectively holds to broker greater population health outcomes and improve the return on investment.

The NCC will be the delivery vehicle for the following outcomes:

- improving the experiences of people in the North Coast community, service providers and clinicians
- improving health outcomes for the North Coast population
- improving cost efficiency of the North Coast health system

2. Role and functions of the North Coast Collective

The role of the NCC is to implement a shared approach to investment in health outcomes.

NCC will position itself to develop joint health strategies across the entire service continuum matched to local health priorities, collaboratively design and resource services, monitor performance and evaluate outcomes across the acute, primary and community settings.

The NCC comprises of its member organisation – the North Coast Primary Health Network (NCPHN), Mid North Coast Local Health District (MNLHD), Northern NSW Local Health District (NNLHD). NCC partner organisations include Aboriginal Medical Services. NCC stakeholders are other interested parties who are supportive of the objectives of the North Coast shared investment approach and have an interest in its success. This includes service providers, subject matter experts, consumers, carers and family groups.

The role of NCC is summarised as:

- Co-commissioning the shared investment
- Funding and payment arrangements
- Governance of NCC functions

Commissioning the shared investment

Commissioning the shared investment model of the NCC will have both a local and system wide focus. NCC commissioning will be driven by population needs rather than

existing services. The operational capabilities of each member organisation will be leveraged to underpin the performance of the commissioning function. Resource realignment will be a result of evidence, strategic resource allocations to better meet the needs of the North Coast population. Unintended consequences of realignment and divestment will be considered during the decision making process outlined under the NCC Governance Framework.

Funding and payment arrangements

Coordinating and establishing funding and payment arrangements is essential for creating an outcomes-focused and value based payment model. Funding and payment arrangements will set out how service providers will be paid and the source of those funds. Payments may be made by any commissioning or partner organisation associated with the NCC.

Regardless of the payment approach, the contract for services must reflect processes, outcomes and costs that service providers must adopt and take accountability for.

Governance of NCC functions and activities

Each of the below function areas and related activities comprise of key decisions points that are guided by the NCC Governance Framework set out below.

North Coast Collective Function		North Coast Collective Activities
Co-commissioning function	Shared investment strategy development	Undertake and communicate research
		Assess North Coast population needs
		Agree on shared principles
		Agree shared population health outcomes
		Identify shared investment priorities
		Identify and communicate available resources
		Identify priority cohorts and issues
		Set shared strategy for achieving population health outcomes
		Design services, programs and projects to deliver health outcomes
		Set shared service outcomes, measures, targets and KPIs
	Funding and payment arrangements	Facilitate services integration and coordination
		Provide advice to commissioner
		Undertake market analysis and sounding
		Market support and development
		Identify existing processes and approaches to commissioning services
		Consider a multidisciplinary team to develop the appropriate funding and payment model
		Estimate service costs, define the commercial principles, incentives and outcomes payments, negotiate price and funding requirements
		Member organisations procure services, select and align service providers, negotiate contracts in line with shared investment decisions
		Implement process for data collection and report to monitor service delivery and service outcomes
		Provide advice to service deliverers
Provider support for service quality		

Governance function		Monitor and evaluate to assess outcomes and return on service investment
	Governance of NCC	Monitor effectiveness of NCC
		Track NCC strategy
		Create and implement NCC business plan
		Set up and implement NCC processes, policies and accountability and sustainability mechanisms
		Engage with Government, community and stakeholders
		Facilitate information and data sharing
		Communicate outcomes
		Quality and risk management

3. North Coast Collective Governance Framework

The North Coast Collective Governance Framework is to ensure that the NCC invests effectively and conducts its role in a way that achieves the required health outcomes and supports service improvements. It underpins the Collective vision to transform how the North Coast achieves health outcomes.

Governance determines the parameters around decision making. This includes who makes decisions and how important players have their voices heard. Governance also defines lines of accountability and responsibility.

The NCC Governance Framework will facilitate assurance that investment in health services across the region aligns with the identified strategy, is focused on outcomes and is truly collaborative.

The North Coast Collective Governance Framework is set out in:

1. NCC Governance Operating Context
2. NCC Governance Principles
3. NCC Decision points
4. NCC Governance structures and mechanisms
5. NCC data, reporting and performance management
6. NCC Roles and responsibilities

4. The change North Coast Collective will create

The North Coast Collective will drive and oversee change within two current operational aspects of the North Coast health system.

- Current North Coast commissioning context
- Current North Coast system context

North Coast Collective Commissioning Context

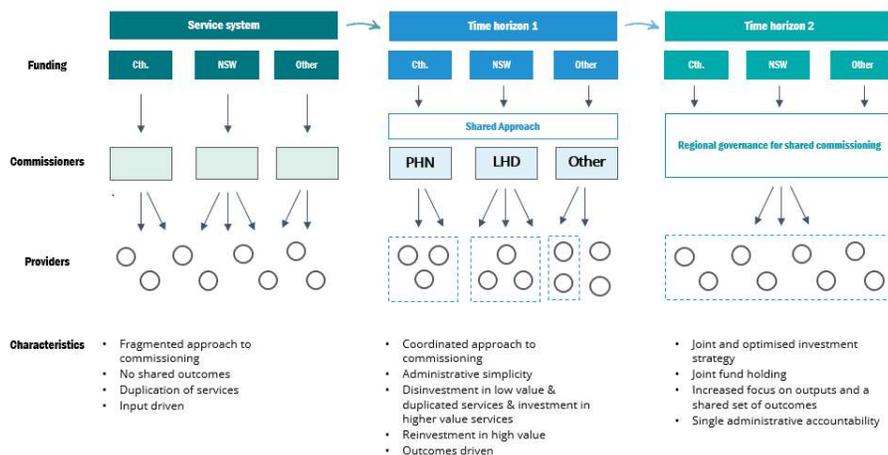
The North Coast Collective will change the way regional health outcomes are commissioned on the North Coast. Figure 2 shows a shift from the current, siloed service system to a regional investment approach driven by the NCC. This figure shows the role and responsibilities changing over time as the regional shared investment approach matures.

Time Horizon 1 shows the NCC leading its member organisations in a shared approach to investment in health outcomes. This Horizon is characterised by the development of a

shared strategy and outcomes, divestment in low value and duplicated services and greater investment in higher value services. During Horizon 1, the NCC governs the shared investment strategy and co-commissions through its member and partner organisations.

Time Horizon 2 signifies the maturity of a truly joint investment model for health outcomes in the North Coast. This stage is characterised by a fully developed joint strategy and fund holding, a marked increase in outputs and shared outcomes, and a single point of governance and accountability.

Figure 1: North Coast Collective Commissioning Context



*Note: This is conceptual only and is designed to demonstrate the intent of the Shared Investment Strategy. It does not reflect existing or proposed structures or outcomes.

5. North Coast Collective System Context

Health outcomes commissioning occurs at four levels – portfolio, program, projects and business as usual. A shared investment approach to commissioning health outcomes requires governance, coordination and change at each of these levels, achieved through the governance and commissioning functions of the NCC. These levels and the system of change are illustrated in Figure 2 below.

The different levels are defined as follows:

Portfolio: The portfolio level allows a systems view of health in a region, including its population, programs and projects. Effective policy and processes at this level can foster the transfer of knowledge and implementation of decisions across all health programs and projects. The portfolio level is where systems changes can be created.

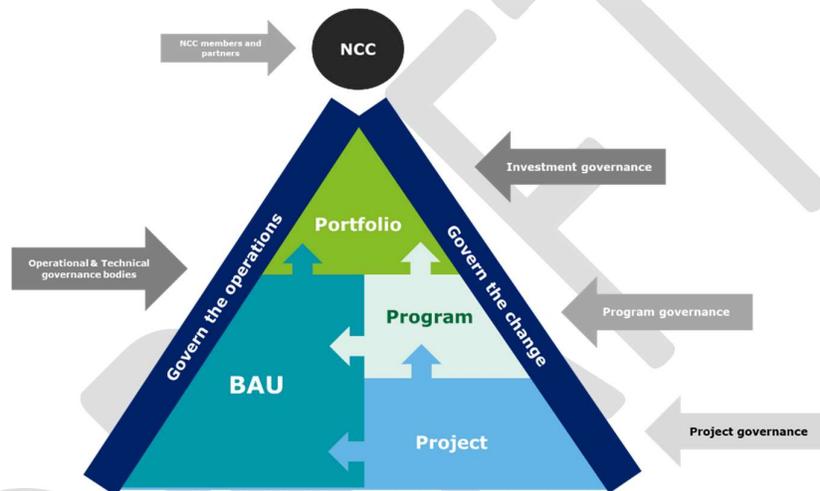
Program: A temporary structure created to coordinate, direct and oversee the implementation of a set of related projects and activities to deliver outcomes and benefits related to an organisation's strategic objectives. A program produces an end-state and is finite.

Project: A project is defined as a temporary process, which has a clearly defined start and end time, a structured set of activities and tasks, a budget and a specified business case. It is developed to achieve a unique and well-defined product, service, goal or objective or deliver well defined benefits and is managed according to a specific project management methodology. Different from BAU because it has complexity or there is a need to keep separate (such in the case of a trial).

The shared investment approach model sees NCC performing its governance and commissioning function at the peak portfolio level, coordinating a shared strategy, processes and corresponding decision making to deliver change. From the portfolio level, NCC will influence investment and funding decisions through its commissioning activities, impacting on existing and new health programs and projects delivered on the North Coast.

As programs and projects are assessed for their returns on investment and ability to achieve lasting health outcomes for the people of the North Coast, they will move into business as usual or result in divestment. This cycle of change will be governed by the NCC. Operational and technical governance bodies will continue to govern operational aspects at the appropriate business as usual, program and project levels in line with the shared investment approach.

Figure 2: North Coast Collective System Context



6. North Coast Collective Governance Design Principles

Governance comprises the structures, accountabilities, policies, standards and processes for decision making to provide assurance that:

- Resources are being invested in the right outcomes, programs and projects
- Programs and projects are being managed appropriately; and
- The investment portfolio, through these programs and projects are delivering the desired benefits to the people of the North Coast

Governance should make clear who has a voice in decision making, how decisions are made and who is accountable. Effective governance in the context of the NCC results in a collaborative decision-making model that encourages desired behaviours, creates system change and achieves agreed health outcomes. Governance for the NCC also means fostering equality that reaches beyond the barriers created by fund holding and ensuring a community voice to facilitate learning and desired outcomes.

Through its governance framework, NCC will develop an open and equal culture focused on achieving excellence through the creation of meaningful structures in which senior managers take responsibility for achieving shared outcomes, supported by a proactive stakeholder whose interests are aligned.

The Governance Framework is based on six design principles:

- Principle 1: Accountability
- Principle 2: Collaboration and inclusion
- Principle 3: Evidence and innovation
- Principle 4: Transparency
- Principle 5: Effective and integrated structure
- Principle 6: Risk and sustainability

Principle 1: Accountability

There will be continued clear accountability arrangements for services and public expenditure.

North Coast Collective will hold accountability for strategies, outcomes and decisions made at the portfolio level. For each program or activity, accountability will rest with a single individual, a senior responsible owner who has decision making authority to deliver the strategy's intended outcomes. Decision making will occur at the most appropriate level.

The allocation of decision-making rights and accountabilities is premised on determining which decisions should be shared for effective decision making and at what level to satisfactorily and successfully deliver the agreed outcomes.

Allocating accountability ensures that all investments decisions are justified, bring tangible benefits to the North Coast people in a manner consistent with priorities and constraints, and are managed through the lifecycle of the program so expected benefits can be realised. Accountability will secure consideration of the impacts and costs of ownership resultant of investment decisions.

Accountability requires the transfer of skills and resources to support the investment decisions made. The NCC will ensure that neither duplication of activity nor an increase in total cost arises from these changes. Accountability requires the assignment of responsibility for the direct implementation of investment decisions. The principle of new burdens should apply, meaning where NCC members are expected to take on a new responsibility, the funding to cover the associated costs will transfer, to the extent that is possible. Individuals and groups within the NCC understand and accept their responsibilities in respect of the investment strategy and agreed outcomes.

Principle 2: Collaboration and Inclusion

North Coast Collective will regularly collaborate on the shared investment approach and ensure inclusion in decision making

North Coast Collective will regularly collaborate on how to improve health outcomes in the region. True collaboration means the fall of existing silos. Inclusion requires effective facilitation of an equal voice in decision making from relevant stakeholders in the service system. Knowledge exchange will be a key success factor.

The goal of collaboration and inclusion is to fully understand the health needs of the region's population, the assets and resources needed to address those needs. Effective collaboration and inclusion will galvanise support across all parts of North Coast health and wider stakeholders, creating a joint focus on action and change.

A culture of inclusion and knowledge exchange will require a robust system for gaining stakeholder views and a solid understanding of the political landscape. North Coast Collective membership and partners must be well considered to facilitate equality in decision making.

Collaboration and inclusion also means bringing people along with the change. Consideration must be given to timing, sequencing and concurrency of investment and divestment decisions given the risk of change fatigue and market viability.

Principle 3: Evidence and Innovation

North Coast Collective must challenge itself, continuously improve, maintain curiosity and push boundaries through evidence and innovation

Investment decisions by NCC must be heavily informed by data and evidence of risks, local needs and priorities, impact and achievement of health outcomes.

NCC must use evidence to generate ideas that will capture political attention and improve health outcomes. The NCC will be challenged to think differently in the way it approaches existing challenges in the health system. Lessons learnt can be leveraged to deliver new ways of working and innovation to the people of the North Coast.

NCC members and partner organisations agree to share appropriately share data and information for the purpose of continuously understanding and improving health outcomes in the region.

The goal of continuous improvement requires evidence of what works and regular performance monitoring to ensure fit for purpose solutions and delivery of service quality to meet agreed outcomes. Performance monitoring includes:

- performance management of the investments chosen for implementation
- monitoring the residual business risks associated with those investments that are not progressed

Performance management of the investment requires:

- monitoring and comparison of actual outcomes achieved against those planned
- forecasting project objectives and a regular assessment of the project's continued viability
- control of unacceptable deviations of the project

Principle 4: Transparency

North Coast Collective decision making will be underpinned by transparency and the open sharing of information

Transparency is essential in allowing all parties to understand decision making and change, while informing decisions at the local level. The NCC must be clear about the problems they are trying to solve, their purpose and scope, and decisions made. This must occur among NCC members, its partners and stakeholders.

Transparency will encourage decisions to be made for valid reasons, on the basis of appropriate and ongoing analysis. A business case is often a tool for ensuring transparency. It requires the detailing of investment options, costs, benefits and risks, as well as the assessment of a base case. Transparency of decision making will be particularly important around funding and divestment decisions.

Marketing and continuous engagement with government bodies such as the Ministry and the community will ensure risks associated with policy changes are minimised as NCC strategies and investment decisions are clear and supported by shared evidence.

Principle 5: Effective and integrated structure

North Coast Collective governance structure must be clear, well understood, foster integration and timely decision making

Governance structure should support a balance between integration and the independence of members to allow growth, accountability and the ability to challenge the behaviour of others. NCC structures require cross sectional membership to diffuse existing silos and foster group ownership of the shared investment approach and outcomes.

An independent member can provide oversight of the wider vision and keep the NCC on the right path.

The structure should not be 'over-governed' or involve excessive duplication of efforts by each member. While collaboration and inclusion are at the cornerstone of a shared investment approach, they need to be balanced with the ability to achieve outcomes through timely decision making.

An effective and consistent approach must be taken when managing portfolios, programs and projects.

Principle 6: Risk and Sustainability

North Coast Collective will approach risk proactively, to minimise impacts on shared outcomes

The management of risk will be incorporated into NCC governance and ways of working. NCC structure will encourage proactive, rather than reactive, commissioning. Identified decision points will serve to manage risk and ensure quality assurance in decision making. NCC ways of working will account for risks such as:

- likely political interference or federal and state policy change
- financial sustainability
- risks associated with not progressing investment options.

A mandate will outline the NCC's shared values, equity and priority setting, to reduce the risk of external interference.

7. North Coast Collective governance decision points

Effective governance in the NCC context requires careful consideration of the key decision points at the portfolio, program and project level to ensure health outcomes for the people of the North Coast are met. These decision points are critical to setting out a governance structure and process that enables transparent investment decisions consistent with shared outcomes realisation and NCC principles. Meaningful and inclusive decision points under the NCC will ensure value for investments, removal of duplication and effective service delivery.

Broadly, for each investment considered, there are five elements that must be governed:

- Development of the overarching North Coast shared investment strategy, following an assessment of population needs, agreement of shared principles and shared health outcomes, and priorities

- Decision on whether or not to invest (or continue to invest) in a program or project
- Management of the project through which the investment is implemented, including decisions around funding, payment incentives and financial management
- Communication to stakeholders and service providers around the commissioning functions exercised by the NCC
- Assessment of benefits realisation, outcomes and risk

Decision points can be progressed after the following inputs:

- Evidence of current population priorities and service needs to justify investment decisions, for example strategic case for change
- Current performance of investments such as status reports, risks matrix and evaluation reports examining outcomes realisation
- A process of robust stakeholder engagement with interested parties in the investment decision
- Service provider contract performance

Processing investments through identified decision points formalises risk management and quality assurance. This process provides independent decision support to assist decision makers assess the risks associated with continued or suspended investment. It aims to supplement existing governance arrangements with independent review points within the investment lifecycle to ensure joint strategic and agreed policy alignment occurs. This process also supports increased visibility of shared health outcomes, input requirements and collaboration.

The NCC decision points will enable the identification of opportunities to improve delivery of programs, projects and investment progression. Consideration must be given to the independence of those reviewing decisions.

8. NCC decision points over the program and project lifecycle

NCC program and project decision points differ in the level of specifics needed and stringency. This reflects variances in program and project probability of investment, the ongoing need for assessment, value, risk and complexity of the investment and the consequences of not investing.

There are five key decision points in the governance process for NCC programs and projects. Each represents a decision point for the NCC to determine whether to proceed with an investment. The purpose of this process to ensure an independent assessment of the readiness of the investment. Each decision point must receive a positive assessment with a sufficient level of confidence in order to proceed to the next decision point.

The NCC decision points are supported by two key documents:

- **Project or program case for change or strategic business case**, examining the service gap and needs, and options for investment
- **Assessment report and action plan**, which focuses on the direction of the program or project, feasibility, level of stakeholder engagement, delivery approach and achievability.

These documents evidence NCC decisions and may be provided as advice to commissioning organisations.

The program and project level decision points are:

1. Preliminary evaluation: the decision to proceed with the investment

This NCC decision point focuses on the preliminary business case including the strategic importance of the NCC program or project. This includes an assessment of its alignment with shared regional strategy and health outcomes, and other government policy. The business case is supported by an assessment report and action plan focused on the direction of the program or project, planned outcomes, feasibility, stakeholder engagement, and proposed delivery.

2. Readiness for the market: the decision on whether to release to market

This NCC decision point investigates the final business case and procurement strategy for the project or program before any service providers are approached. This decision point is supported by an assessment report and action plan outlining proposed funding and payment approach, financial management, service provider options and a plan for implementation and approaching the market

3. Investment decision: the decision on whether to invest

The investment decision focuses on the updated business case and the need, affordability and impact of the program or project on shared health outcomes. A revised assessment report and action plan outlines affordability and achievability of the initiative including implementation and risks associated with investment or divestment

4. Readiness for service: the decision to go live

This decision point focuses on the readiness of the proposed program or project to go live. The assessment report and action plan outlines readiness and risks associated with initial implementation of the program or project. The assessment and action plan outlines solutions and monitoring for transition to operational mode.

5. Benefits realisation: administrative closure, lessons learning and benefits assessment

Benefits assessment is a recurring decision point and one undertaken at closure of the program or project or transition to business as usual. The assessment report and action plan focuses on the success of the program or project to date in achieving the planned objectives and outcomes. The assessment outlines remedial actions for steering the program or project to improved implementation. This NCC decision point confirms whether benefits and outcomes are being achieved.

9. Critical Success Factor: Engaged and committed NCC members and appropriate governance mechanisms

NCC governance and commissioning success is dependent on having the right representation, engaged and committed individuals with the authority, aptitude, and capability for participatory decision making. Member organisations of the NCC will continue to assess and consider the resources and structures needed to operationalise the NCC and shared investment approach through the following governance mechanisms

- North Coast Collective Executive Group
- North Coast Collective Commissioning Partnership Group
- North Coast Collective Program/Project Subcommittee
- North Coast Collective Provider Advisory Committee
- Independent Chair

The governance mechanisms and their membership may change over time depending on the horizon of change. NCC Governance is illustrated in Figure 3.

An essential step in streamlining governance is assigning clear roles and responsibilities, defining who needs to agree, who should have input, who has ultimate accountability for making decisions, and who is responsible for implementation.

Portfolio, program and project governance mechanisms need to be carefully arranged so that roles and responsibilities are clear, complementary and aligned, to avoid duplication while enabling delivery.

North Coast Collective Executive Group

Effective leadership and governance are central to the functioning of the shared investment approach. The North Coast Collective Executive Group is the peak governance body of the NCC which has the collective decision-making authority for:

- Setting the investment strategy, commissioning approach and processes for improving health outcomes in the North Coast region
- Governing and providing oversight of the functions and activities of the NCC, in particular:
 - communicating and advocating the investment strategy of the NCC to the Ministry of Health, Department of Health and other state and federal government bodies
 - engaging with the community and other stakeholders
 - promoting integration and collaboration across the North Coast health and broader social system
 - monitoring funding and resource allocation
- Ensuring investment decisions align with the strategic direction of the NCC and NCC governance principles

Membership: The North Coast Collective Executive Group involves cross organisational leadership. Members of the North Coast Collective Executive Group consists of an equal representation from the North Coast Primary Health Network, Mid North Coast Local Health District, North Coast Local Health District.

Chair: The Chair of the Executive Group is nominated from the NCC Executive Group membership.

Voting: Each member has one vote. The Chair can issue the casting vote.

North Coast Collective Commissioning Partnership Group

The North Coast Collective Partnership Group is responsible for the effective delivery of the NCC shared investment approach to health outcomes in the North Coast. This group has collective decision-making authority for:

- Delivery of the shared investment strategy
- Performance of the investment strategy, functions and activities of the NCC across the North Coast health system

- Allocation of funding and ongoing monitoring of investment decision alignment, implementation and achievement of shared health outcomes in the region
- Management of risks and delivery of mitigating actions
- Sharing insights, research, knowledge and experience

Membership: There are 5-8 members of the Commissioning Partnership Group. LHDs and PHNs will nominate 1 representative in the Group. Up to 3 external positions can be filled by clinical, provider or community representatives who will be acting in their personal capacity.

Independent Chair: The Commissioning Partnership Group will be headed by an Independent Chair, nominated and agreed by the NCPHN, MNLHD, NNLHD. The role of the Independent Chair is discussed below. The Independent Chair reports to the NCC Executive Group

Voting: Each member has one vote. The Independent Chair can issue a casting vote.

North Coast Collective Program and Project

All programs and project will maintain representative membership to the Program/Project Subcommittee. This Subcommittee will facilitate cross program and project information sharing, discuss program and project needs, and contribute to a truly shared approach to health outcomes. The Subcommittee will also report to the NCC Commissioning Partnership Group and fulfil the role of program and project governance. A detailed Terms of Reference in relation to each program or project should outline:

- Decision making and scope of authority
- Decision making rights and exclusions in line with the Governance Framework
- Management of risk, integration and dependencies

Membership: This will be determined on an ad hoc basis with members identified by the NCC Commissioning Partnership Group. The member may be the relevant Senior Responsible Owner of the program or project.

Each program or project will be led by a Senior Responsible Owner within the appropriate MNLHD, NNLHD and NCPHN as single point of accountability. The SRO will be the appropriate staff member from the member or partner organisation responsible for the program or project.

Responsibilities of the SRO include:

- Providing overall direction and leadership for the delivery and implementation of a investment portfolio, program or program
- Being accountable for the governance arrangements of the scope the portfolio, program or project
- Securing funding for the investment
- Managing the strategic risks facing the investment portfolio, program or project
- Managing and supporting the delivery organisation, program or project directors and managers

North Coast Collective Independent Chair

North Coast Collective Executive Group and Partnership Executive is managed by a nominated Independent Chairperson. The Chair plays a key role in maintaining the integrity of the NCC investment governance.

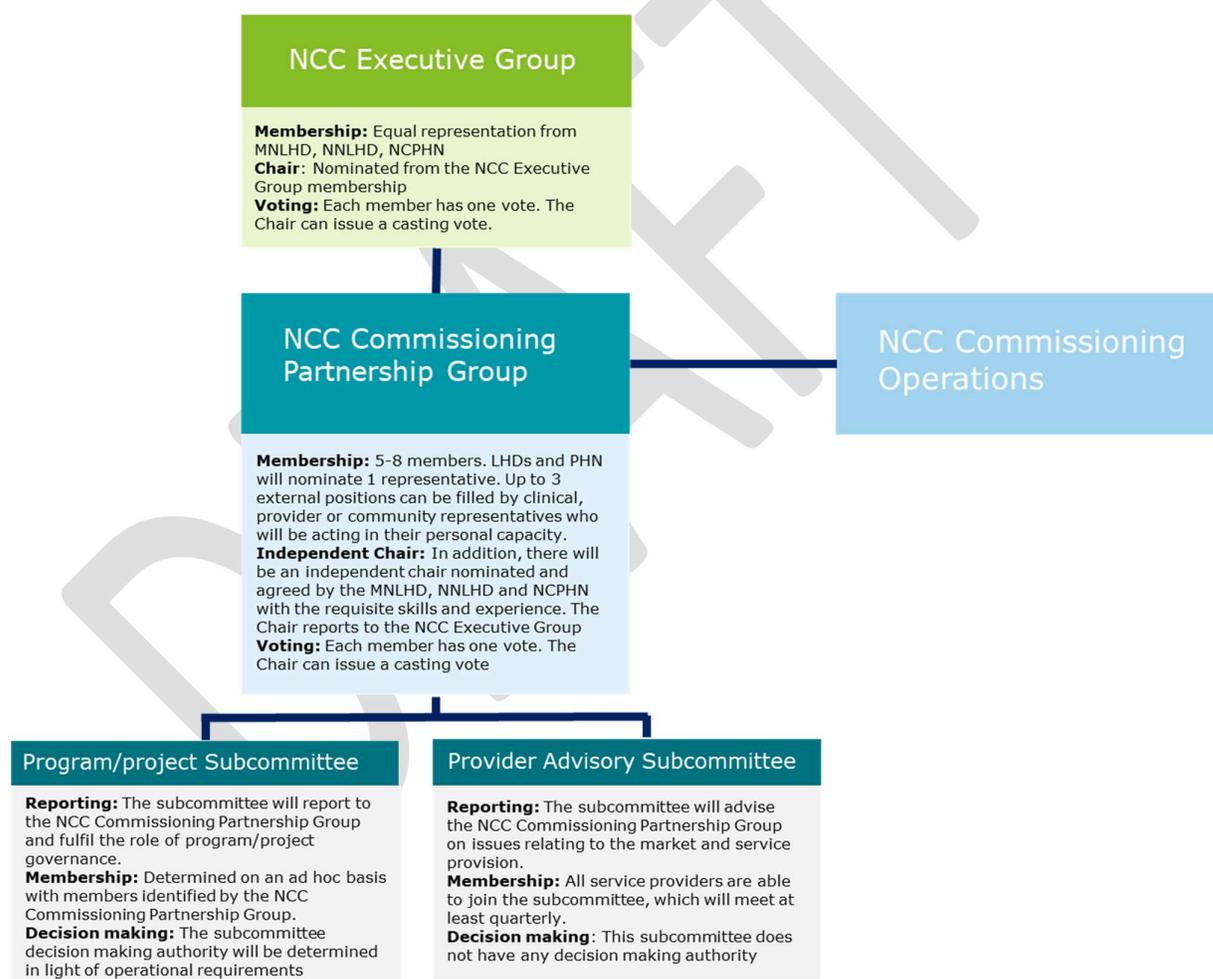
The Independent Chair is responsible for:

- Ensuring the Executive decisions are consistent with documented decision rights

- Ensuring real or perceived conflicts of interest are appropriately managed
- Ensuring the Executive is on track. This means confirming the agenda supports timely considerations and decision making align with investment, program and project priorities, risk management and stakeholder consultations
- Ensuring a quorum of members sufficient to conduct meetings and assisting NCC members to fulfil their responsibilities, including:
 - That members understand their role and decision making expectations
 - That members demonstrate commitment, capability and remain actively engaged and participatory in decision making
- Escalating change and risks as necessary

The Independent Chair is elected by all members of the NCC Partnership Executive and sits for a term of two years. The Independent Chair cannot originate from a member or partner organisation of the NCC.

Figure 3: NCC Governance Structure



10. Critical Success Factor: Data usage, reporting and performance management

A significant element of achieving regional health outcomes is the ability to share data and information, understand and manage the performance of the investment portfolio at each program and project level.

The NCC Executive Group and Commissioning Partnership Group will support decision making by sharing data and information, securing performance information during investment planning and delivery.

Data and information sharing: To support the effective operation and realisation of the NCC shared investment model the appropriate sharing of data and information is needed. NCC members and partners agree to share data from a range of sources in compliance with relevant data sharing and privacy legislation.

Performance information approach: The purpose of performance information is to ensure NCC investments are:

- Selected based on a benefit or improvement to health outcomes or service provision and a return on investment
- Aligned with NCC strategic objectives for the region
- Reduce risk and exposure through decision making, approval, risk mediation and remediation
- Perform optimally through real time monitoring, predictive analysis and forecasting

Key mechanisms for understanding performance across the NCC investment portfolio include:

- Visibility of all proposed and planned investments across the regional ecosystem
- Decision support to assess investment options, optimise value and investment planning
- Regular performance reporting, dashboards and analytics to streamline regional reporting and consistent information
- Regular risk assessment and recommended actions to drive delivery
- Governance support linking agenda items, actions and decisions to related NCC investments and risks
- Independent review and audit

The NCC Executive Group and Partnership Executive Group will establish processes and ways of working to develop and implement these key performance data and information mechanisms.

11. North Coast Collective accountability and decision-making matrix

North Coast Collective activities and decisions will be governed according to an allocation of accountability, responsibility, duty to support, duty to consult, and duty to inform (RASCI). The table below identifies potential pathways for decisions at the portfolio, program and project, including the role of governance committees.

The following assumptions underpin the NCC RASCI:

- The RASCI allocates responsibility and authority for key NCC portfolio, program and project level decisions to the NCC and specific member and partner organisations. It is recognised that decision making authority will be defined within individual organisations and committee terms of references

- A tailored RASCI will be included in each program and project terms of reference to provide guidance on decisions and accountabilities associated with the specific program or project
- The RASCI presents roles and responsibilities for an initial list of decision items. Program and project level RASCIs will determine more specifically decisions of the governance body and stakeholder level involvement
- A single individual or organisation can be made accountable for a decision item

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Investment Portfolio Level									
North Coast Collective Function	North Coast Collective Activities	North Coast Collective	PHN	LHD	AMS	Other Services	Community	Govt	
Co-commissioning function	Shared investment strategy development	Undertake and communicate research	A	R	R	R	R	C	C
		Assess North Coast population needs	A	R	R	R	C	C	C
		Agree on shared principles	A	R	R	R	C	C	C
		Agree shared population health outcomes	A	R	R	R	C	C	C
		Identify shared investment priorities	A	R	R	R	C	C	C
		Identify and communicate available resources	A	R	R	R	C	C	C
		Identify priority cohorts and issues	A	R	R	R	C	C	C
		Set shared strategy for achieving population health outcomes	A	R	R	C	C	C	C
		Design services, programs and projects to deliver health outcomes	A	R	R	C	C	I	C
		Set shared service outcomes, measures, targets and KPIs	A	R	R	C	C	I	C
		Facilitate services integration and coordination	A	R	R	R	S	I	C
		Provide advice to commissioner	A	C	C	C	I	I	S
	Funding and payment arrangements	Undertake market analysis and sounding	A	R	R	S	C	I	S
		Market support and development	A	R	R	S	C	I	S
		Identify existing processes and approaches to commissioning services	A	R	R	I	C	I	S
		Consider a multidisciplinary team to develop the appropriate funding and payment model	A	R	R	I	C	C	S
		Estimate costs, define the commercial principles, incentives and outcomes payments, negotiate price and funding requirements	A	R	R	I	S	I	S
		Member organisations procure services, select and align service providers, negotiate contracts in line with shared investment decisions	A	R	R	I	S	I	S
Implement process for data collection and report to monitor service delivery and service outcomes	A	R	R	I	C	I	I		
Provide advice to service deliverers	A	R	R	I	C	I	I		

Governance	Governance of NCC Shared Investment Strategy	Provider support for service quality	A	R	R	I	C	I	I
		Monitor effectiveness of NCC	A	R	R	I	I	I	I
		Track NCC strategy	A	R	R	I	I	I	I
		Create and implement NCC business plan	A	R	R	S	I	I	I
		Set up and implement NCC processes, policies and accountability mechanisms	A	R	R	S	I	I	I
		Engagement with Government, community and stakeholders	A	S	S	S	I	C	C
		Facilitate information and data sharing	A	R	R	S	I	I	I
		Communicate outcomes	A	R	R	S	I	I	I
		Quality and risk management	A	R	R	S	I	I	I

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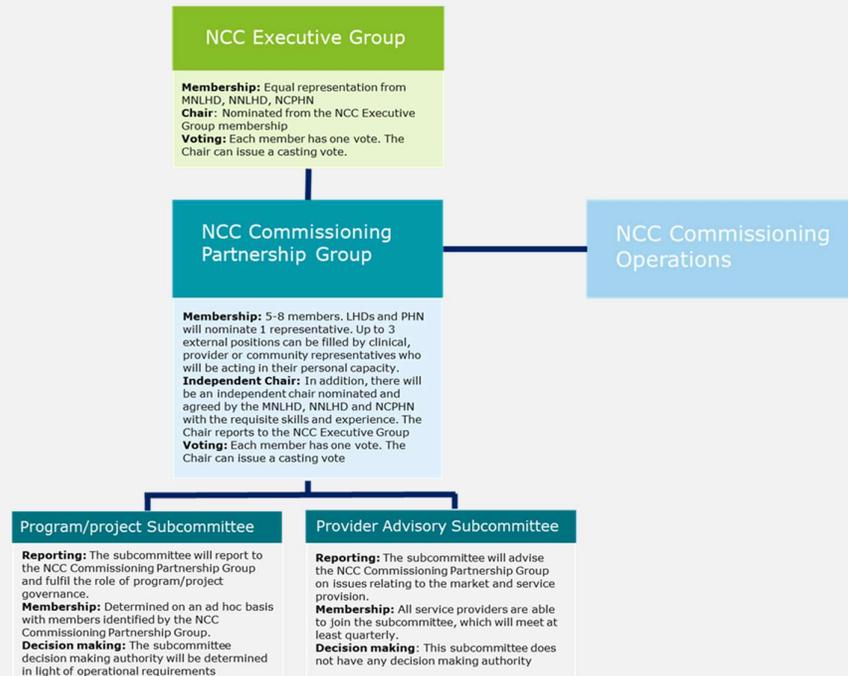
Appendix 1: North Coast Collective Terms of Reference

Name	North Coast Collective (NCC)																											
Vision	North Coast Collective will support the people of the North Coast to live their best and healthiest lives by implementing a shared regional approach to health outcomes																											
Purpose & Scope	<p>At the portfolio level, the North Coast Collective will develop and govern strategy, design and resource services, monitor and evaluate outcomes to transform health in the region. North Coast Collective commissioning, governance, coordination and change will also occur at the program, project and business as usual.</p> <p>The role of North Coast Collective is expected to change as the regional approach to investment matures</p>																											
Key Activities	<p>Key activities of North Coast Collective are:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #92d050;"> <th style="background-color: #008080; color: white; width: 15%;">North Coast Collective Function</th> <th colspan="2" style="background-color: #92d050;">North Coast Collective Activities</th> </tr> </thead> <tbody> <tr> <td rowspan="10" style="background-color: #008080; color: white; text-align: center; vertical-align: middle;">Co-commissioning function</td> <td rowspan="10" style="background-color: #d9ead3; text-align: center; vertical-align: middle;">Shared investment strategy development</td> <td>Undertake and communicate research</td> </tr> <tr> <td>Assess North Coast population needs</td> </tr> <tr> <td>Agree on shared principles</td> </tr> <tr> <td>Agree shared population health outcomes</td> </tr> <tr> <td>Identify shared investment priorities</td> </tr> <tr> <td>Identify and communicate available resources</td> </tr> <tr> <td>Identify priority cohorts and issues</td> </tr> <tr> <td>Set shared strategy for achieving population health outcomes</td> </tr> <tr> <td>Design services, programs and projects to deliver health outcomes</td> </tr> <tr> <td>Set shared service outcomes, measures, targets and KPIs</td> </tr> <tr> <td rowspan="3" style="background-color: #d9ead3; text-align: center; vertical-align: middle;">Funding and payment arrangements</td> <td>Facilitate services integration and coordination</td> </tr> <tr> <td>Provide advice to commissioner</td> </tr> <tr> <td>Undertake market analysis and sounding</td> </tr> <tr> <td></td> <td></td> <td>Market support and development</td> </tr> <tr> <td></td> <td></td> <td>Identify existing processes and approaches to commissioning services</td> </tr> </tbody> </table>			North Coast Collective Function	North Coast Collective Activities		Co-commissioning function	Shared investment strategy development	Undertake and communicate research	Assess North Coast population needs	Agree on shared principles	Agree shared population health outcomes	Identify shared investment priorities	Identify and communicate available resources	Identify priority cohorts and issues	Set shared strategy for achieving population health outcomes	Design services, programs and projects to deliver health outcomes	Set shared service outcomes, measures, targets and KPIs	Funding and payment arrangements	Facilitate services integration and coordination	Provide advice to commissioner	Undertake market analysis and sounding			Market support and development			Identify existing processes and approaches to commissioning services
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			<p>Consider a multidisciplinary team to develop the appropriate funding and payment model</p> <p>Estimate costs, define the commercial principles, incentives and outcomes payments, negotiate price and funding requirements</p> <p>Member organisations procure services, select and align service providers, negotiate contracts in line with shared investment decisions</p> <p>Implement process for data collection and report to monitor service delivery and service outcomes</p> <p>Provide advice to service deliverers</p> <p>Provider support for service quality</p> <p>Monitor and evaluate to assess outcomes and return on service investment</p>
	Governance function	Governance of NCC Shared Investment Strategy	<p>Monitor effectiveness of NCC</p> <p>Track NCC strategy</p> <p>Create and implement NCC business plan</p> <p>Set up and implement NCC processes, policies and accountability and sustainability mechanisms</p> <p>Engage with Government, community and stakeholders</p> <p>Facilitate information and data sharing</p> <p>Communicate outcomes</p> <p>Quality and risk management</p>
			<p>Accountability: There will be continued clear accountability arrangements for services and public expenditure.</p> <p>Collaboration and Inclusion: North Coast Collective will regularly collaborate on the shared investment approach and ensure inclusion in decision making</p> <p>Evidence and Innovation: North Coast Collective must challenge itself, continuously improve, maintain curiosity and push boundaries through evidence and innovation</p> <p>Transparency: North Coast Collective decision making will be underpinned by transparency and the open sharing of information</p> <p>Effective and integrated structure: North Coast Collective governance structure must be clear, well understood, foster integration and timely decision making</p> <p>Risk and Sustainability: North Coast Collective will approach risk proactively, to minimise impacts on shared outcomes</p>
			<p>NCC governance and commissioning success is dependent on having the right representation, engaged and committed individuals with the authority, aptitude, and capability for participatory decision making. Member organisations of the NCC will continue to assess and consider</p>

the resources and structures needed to operationalise the NCC and shared investment approach through the following governance mechanisms

- North Coast Collective Executive Group
- North Coast Collective Commissioning Partnership Group
- North Coast Collective Program/Project Subcommittee
- Independent Chair



Appendix 2: North Coast Collective Workshop Summary 12 August 2019

1. Workshop objectives

On Monday 12 August 2019, a workshop was held in Ballina to co-design the governance framework for the North Coast Collective to enable collaborative and integrated health and social service delivery focused on improving health and wellbeing.

The workshop aimed to build a shared understanding of the scope, purpose, role and function of the North Coast Collective (NCC) and support the co-development of a governance model to deliver outcomes and for NCC to think differently and to act together.

Workshop attendees included members from the North Coast Primary Health Network (NCPHN), Mid North Coast and Northern NSW Local Health Districts, the Aboriginal Medical Service (AMS), Department of Family and Community Services, Ministry of Health, GHD Group and Social Futures.

2. Workshop agenda

The North Coast Collective Workshop followed the below agenda:

1. Purpose and vision of the NCC
2. Horizons of change
3. Role of NCC and stakeholders
4. Governance principles of the NCC
5. NCC activities and functions
6. NCC governance model and mechanisms
7. NCC risks and opportunities

Prior to commencement of the agenda items, participants were asked to identify what it will mean to 'think differently' and 'act together'. Concepts from this exercise were used to inform discussion throughout the workshop and included:

- Having people at the centre
- Connection, inquiring, listening and trust
- Being creative and thinking bold
- Shared outcomes and a common purpose
- Holistic, together and integrated
- A building – where lots of elements will be needed to build the NCC
- Thinking outside the box, but recognising the box and its constraints

Key themes discussed during the workshop and how they related to the proposed Governance Framework of the NCC are summarised in Appendix 3

3. Agenda item 1: Purpose and vision of the NCC

Key Themes:

- NCC will support people of the North Coast to live their best and healthiest lives, by implementing a shared regional approach for health outcomes
- NCC will reduce silos, facilitate collaborative decisions, deliver joint and optimised investment and reduce administrative burden

The workshop began with a discussion of the vision of the NCC. It was identified that the ultimate goal was for the NCC to support people of the North Coast to live their best and healthiest lives, by implementing a shared regional approach for health outcomes. It was noted that “best” is subjective and hard to measure, and the use of standard health outcomes would be the most useful measure of success. In order to improve health outcomes, the Collective would help to reduce silos between members, facilitate collaborative decisions, deliver joint and optimized investment, reduce administrative burden and increase focus on health outcomes for the North Coast of NSW.

The Collective also discussed the three pilot co-commissioning models being tendered by the Ministry of Health. These co-commissioning models will aim to improve health outcomes for a region, while working collaboratively and efficiently. The three pilot models will be selected based on a maturity assessment.

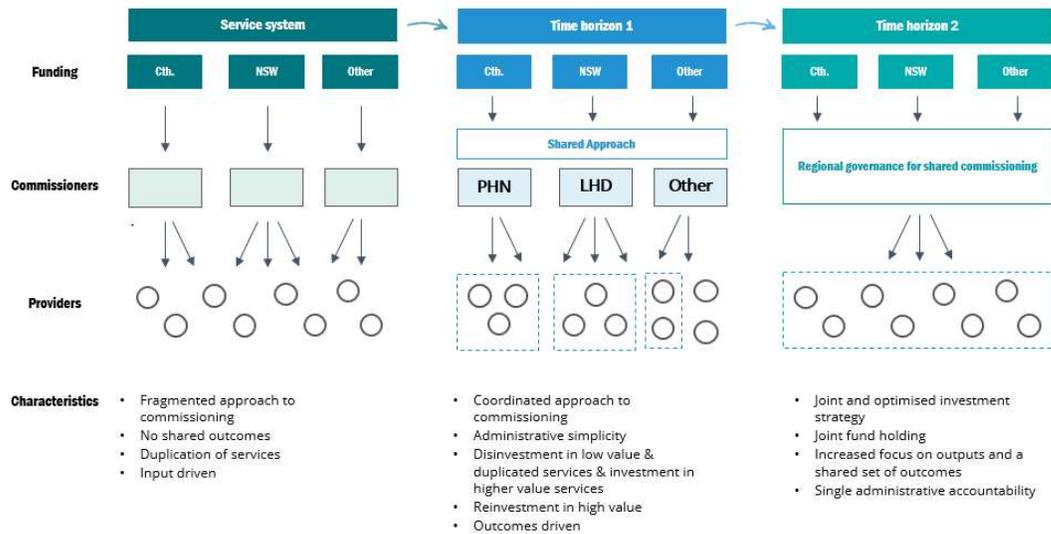
4. Agenda item 2: Horizons of change

Key Themes:

- The role of the NCC, between Horizon 1 and 2, will shift over time as the shared investment approach matures
- Transformation of the current investment approach is needed, rather than small, incremental change. The NCC will need to be bold and take risks
- Marketing is essential for gaining support for the NCC and the change it wants to create

The workshop discussion shifted to ‘Horizons of Change’, which involves how the role and scope of the NCC is expected to change. There was agreement regarding the shift from the current state to the Horizon One (as depicted in Figure 1). It was also noted that during the change, while it is important to think ‘outside the box’, organisations should also incorporate previous learnings going forward. Horizon One would need to realise outcomes before the NCC would feel confident in transitioning to the Horizon Two.

Figure 1: Horizons of Change



*Note: This is conceptual only and is designed to demonstrate the intent of the Shared Investment Strategy. It does not reflect existing or proposed structures or outcomes.

Source: Deloitte (2019).

The members noted that the shift from Horizon One to Two may be more challenging. To create transformational change, rather than small, incremental change, the NCC would need to be bold and take risks. While governance may be applied across the NCC, many decisions would need to be made at the local level to ensure the best outcomes for the communities. One member noted that demographic and cultural differences within the region requires approaches specific to those areas. The group confirmed that the horizons of change is a locally driven model. The group also noted that the NCC needs to consider that other government services such as housing may influence health outcomes.

It was discussed that marketing for the NCC may be necessary through each horizon of change, to capture political attention and to increase awareness of the changes involved. Marketing would be necessary to educate society and support adjustments to new processes. The NCC should consider sensitivities around the impacts of commissioning decisions on the health system, including on the market and workforce.

Marketing, communicating and incorporating stakeholder opinions is essential in forming a new health care system model, and it was noted that there were lessons to be learnt from the NDIS transition. For example, locally driven decision making may protect against market failures.

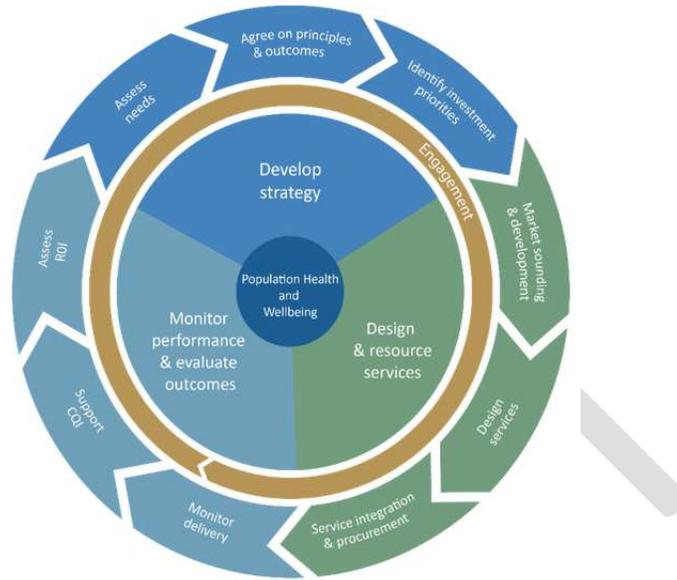
5. Agenda item 3: Role of NCC and stakeholders

Key Themes:

- The NCC has a role in developing the shared investment strategy, designing and resourcing services, monitoring performance and evaluating outcomes
- Defining the shared investment strategy will require extensive collaboration but one coordinating body or individual is needed
- When developing and designing services, expertise in managing relationships and service agreements is needed

The role of the NCC and other stakeholders in the planning and investment cycle was discussed, in relation to cycle depicted in Figure 2.

Figure 2: Planning and investment cycle



The NCC will **develop an outcomes-based health strategy** for the region, including an assessment of needs, agreement of principles and outcomes, and identification of investment priorities. Mapping this dynamic and complex system and defining strategies will involve extensive collaboration. While everyone should have a role in contributing to the strategy there has to be a coordinating person or unit. While the NCC may define the overarching strategy, decision making at each level should allow flexibility to adjust services based on what is deemed best for their region. It was noted that the NCC should consider the broader picture in regards to shifting funding over the longer term.

The NCC has a role in **developing and designing services** in the region. The NCC will set and negotiate the strategy and process for designing services. The NCC should have a solid governance framework which outlines the process for commissioning and interacting with stakeholders, such as the local workforce and consumers. One group member noted the importance of expertise to manage relationships and service agreements with government and non-government organisations. Designing and developing services requires system transformation. It requires going out to the market and asking how to achieve outcomes in a particular area. The NCC can facilitate a brains trust.

6. Agenda item 4: Governance and principles

Key Themes:

- The NCC governance framework must consider who has a voice in making decisions, the process for making decisions, accountability for making and implementing decisions
- NCC governance is underpinned by eight key governance principles: collaboration, inclusion, structure, transparency, accountability, innovation, membership and risk
- Innovation requires the NCC to challenge itself, continuously improve, maintain curiosity and push boundaries
- Members and partners should have an equal voice, irrespective of differences
- Inclusion will minimise unexpected interference by involving people early in the process
- Transparency is vital, as it is often not the decisions made that cause issues, but how they were communicated
- NCC should not be 'over-governed'

In developing a health strategy and designing health services many stakeholders need to be incorporated into the decision making. A governance framework needs to be established which allows this to occur in a systematic way. A governance framework should consider who has a voice in making decisions, what the process of decision making is and who is accountable for making and following through with a decision. These considerations are underpinned by eight key governance principles: collaboration, inclusion, structure, transparency, accountability, innovation, membership and risk. The workshop members discussed what these principles mean in relation to the NCC.

To be **innovative** requires the NCC to challenge itself, continuously improve, maintain curiosity and push boundaries. The NCC needs to generate ideas that would capture political attention and improve health outcomes. The NCC also needs to remain **accountable** for outcomes.

The NCC **membership** should support the contribution of many stakeholders. It was noted that members should all have an equal voice. The stakeholders should **collaborate** and respect each other's differences, as well as differences in their communities; for example, decisions on where to conduct trials may be sensitive and may depend on geographical area. Stakeholders should know what they are "bringing to the table" and where they can add value. Members should also have an understanding of the broader political landscape and funding expectations. Past co-commissioning models suggest collaboration is extremely important to succeed.

Further, the NCC should be **inclusive** and incorporate the views of all stakeholders, including health care providers, communities, central agencies (e.g. PM&C, Treasury, DCJ), schools and the broader health sector. Members noted that the NCC may expect interference from political figures, and thus politicians should be involved early in the process, so that they can support the traction of the NCC. Further, there should be reciprocal influence – as the collective matures, the NCC will be increasingly empowered to communicate their findings, priorities and suggestions to state and federal government. Funding and policy outside of the region should be considered, noting that central agencies should support and align to the NCC model.

The NCC must also have the flexibility to receive influence from not only the minister but also the community. Having the community on board is essential, and so they must view the NCC as prioritising outcomes for their community. The workshop members discussed the importance of getting NGOs and other Aboriginal Medical Services on board with the NCC. It was noted that these organisations need to be convinced of the value of the Collective. NCC engagement with influential peak bodies and advocacy groups is also essential.

Decision making in the NCC should be underpinned by **transparency** and the open sharing of information. Transparency is essential in allowing all parties to understand decision making and change. The NCC needs to be clear about the problems they are trying to solve, purpose and scope, as well as the decisions made. One member noted that it often isn't the decision made which causes a problem, but rather the communication of that decision, thus accentuating the importance of marketing.

The governance **structure** needs to be clear and well understood. The framework should support the independence of each member, to allow constructive conflict and help maintain balance. Members should be able to challenge the behaviour of others and hold others accountable. The structure should also have an independent member who is the "gatekeeper" of the strategy, who provides oversight of the wider vision, to keep the NCC on the right path. The structure should also not be 'over-governed' in such a way that involves excessive duplication of efforts by each member. The framework should also address where each organisation has autonomy and accountability for their decisions, as to avoid conflicting decisions.

The members discussed the importance of incorporating the management of **risk** in the NCC governance framework. For example, the structure should encourage proactive, rather than reactive, commissioning. The framework should account for likely political interference or change. A mandate should outline the NCC's shared values, equity and priority setting, to reduce risk in the case of interference from external stakeholders. This might involve a definitive governance process for external stakeholders to express views in the decision making process. The framework may outline how the NCC aims to address other risks, such as political issues associated with proposed changes to the market.

7. Agenda item 5: Activities and functions

Key Themes:

- The role of the NCC in the various activities of commissioning and governance will change at the portfolio, program and project levels and as the shared investment approach matures from Horizon 1 to Horizon 2

The activities that the NCC are responsible for are required at both the program and project level. Activities discussed involve:

- Undertake and communicate research
- Assess needs
- Agree on principles
- Agree population health outcomes
- Identify investment priorities
- Identify and communicate available resources
- Identify priority cohorts and issues

- Set strategy for achieving population health outcomes
- Market sounding
- Market support and development
- Design services
- Set service outcomes and KPIs
- Facilitate services integration and coordination
- Provide advice to commissioner
- Decide and procure services
- Monitor service delivery
- Provide advice service deliverers
- Support service quality
- Assess return on services investment
- Monitor effectiveness of NCC
- Track NCC strategy
- Create and implement NCC business plan
- Set up and implement NCC processes
- Facilitate information and data sharing
- Communicate outcomes

Workshop participants discussed that these activities may change at the portfolio, program and project level, and in some cases NCC might be taking a leading role and in other cases, it might be appropriate for the LHD or PHN or other commissioning/delivery body to be taking the lead.

It was also discussed that in order to be collaborative it might be appropriate to have several governance mechanisms with different membership noting that not all organisations may be in a position to align any funding or activity to the strategy in the immediate term.

8. Agenda item 6: Governance models and mechanisms

Key Theme:

- Participants agreed the need for an Independent Chair to keep the NCC on track
- Participants developed a RASCI to identify which organisations should be accountable, responsible, supportive, consulted and informed in relation to commissioning activities and functions. The NCC was identified as being accountable in many respects
- Activities relating to governance were added to the activities and functions of the NCC

Based on the activities and functions discussed in the previous session, workshop participants discussed the governance model and mechanisms for implementing the NCC.

Two case studies were presented – Greater Manchester Health and Social Partnerships and Their Futures Matter. In relation to overarching governance, participants agreed an independent chair was necessary. The independent chair would function as a “gatekeeper” of the strategy, who provides oversight of the wider vision, to keep the NCC on the right path.

Participants were asked to fill out a RASCI, identifying which organisations should be accountable, responsible, supportive, consulted and informed in relation to each commissioning activity and function.

In this exercise, several participants noted the functions and activities where NCC would be accountable. Additional activities were added which have been captured in the final activities and functions list in the Governance Framework. This included activities related to the governance of the shared investment strategy, such as maintaining the vision, engaging with stakeholders and community, approving the transition of the NCC to the next Horizon.

Participants also highlighted inclusion of other organisations relevant to achieving health outcomes, such as employment groups, education, housing, industry and local government.

9. Agenda item 7: Risks and opportunities

The members of the NCC set their expectations for the next twelve months. The members expect improved trust and cooperation among members, funding to be delivered across the siloed members by the NCC and for the first vision of investment prioritisation to be established.

Risks to achieving this may involve:

- not bringing people with the NCC
- not staying on course, conflicts of interest
- a failure of members to share data
- thinking small (incremental change rather than transformational)
- fear or avoidance of change
- lack of visible success
- competing priorities

Opportunities:

- It was noted that the Ministry of Health would release the necessary papers for Co-commissioning models by the end of August
- Sharing the vision of the NCC to commence getting organisations and people on board
- Taking calculated risks to create innovative services and outcomes for the region

Appendix 3: Governance Mechanisms

Mechanism	Design Principles	Rationale
North Coast Collective Executive Group	'Accountability'; 'Effective and appropriate'; 'risks and sustainability'	<p>At the governance workshops key themes were discussed about the importance of clear accountability arrangements for the investment approach and public expenditure.</p> <p>Accountability must be assigned to a single individual or body with ultimate decision-making authority to effectively deliver the shared investment approach. This was premised on having the right people in the room. This body would also be in a position to manage and have oversight over the overall vision. They would be ideally positioned to identify and mitigate the risks inherent in the shared investment approach.</p> <p>Discussion also raised the balance required within governance structures to allow timely decision making.</p>
North Coast Collective Commissioning Partnership Group	'Collaboration and inclusion'; 'Transparency'; 'Effective and integrated'	<p>Discussions at the governance workshop emphasised the importance of a truly collaborative, inclusive and equal governance model for delivering a shared investment approach.</p> <p>Participants raised the need for an equal voice for key NCC partners irrespective of differences in funding positions. Inclusion would also serve to minimise later interference or disagreement of the shared investment approach and increase transparency of decision making.</p>
North Coast Collective Program/Project Subcommittee	'Effective and integrated'; 'Evidence and innovation'	<p>Participants discussed the need for coordinated and integrated delivery of investment decisions. This means having representation from NCC programs, projects and BAU to discuss and coordinate alignment with the shared investment approach.</p>

		<p>Representation from programs and projects means practice evidence and innovation developed on the ground can be filtered up to inform better decision making.</p> <p>Participants discussed the importance of having a single point of accountability in relation to programs and projects delivered through the shared investment approach.</p>
<p>Independent Chair</p>	<p>'Effective and integrated'</p>	<p>At the governance workshops key themes were discussed that highlighted the importance of NCC operating separately but connected to both the PHN and the LHDs. It was also noted that the perception of independence was also important.</p>