

Our ref: CMCDRC532

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11 July 2016

Dear Fiona

**Re: CCG Annual Assurance 2015/16**

Thank you for meeting with us on 19<sup>th</sup> April 2016 to discuss the CCG Assurance Annual Assessment for 2015/16. I am grateful to you and your team for the work you have done to prepare for the meeting and for the open and transparent nature of our discussions.

The enclosed document (**Annex A**) provides a brief summative assessment of the assurance meetings held over the last year against the assurance components in the 2015/16 CCG Assurance Framework, which informed the CCG's 2015/16 annual headline rating. We have also summarised areas of strength and where improvement is needed. These will be used to inform how CCG support available in 2016/17 will be tailored to individual CCG needs.

A number of principles have been applied to the five component assessments to reach the annual headline assessments for 2015/16. It has also been agreed to describe the headline ratings in the 2016/17 language of outstanding, good, requires improvement and inadequate.

Therefore, the headline rating for NHS Southport & Formby CCG is **Inadequate**. The principles used to reach this assessment are:

- outstanding is applied where at least one component is outstanding and the others are all good.
- good is applied if:
  - all components are good; or,
  - at least four components are rated as good (or good and outstanding) and one component is requires improvement, unless requires improvement is in the finance or planning components.
- the headline is requires improvement if:
  - four components are rated as good (or good and outstanding) and the finance or planning component is assessed as requires improvement or inadequate;

- there is more than one requires improvement component rating; and
- no more than one component is assessed as inadequate.
- the headline is inadequate overall if:
  - more than one component is rated as inadequate;
  - it already has Directions (under section 14.z.21) in force.

For CCGs that are assessed as inadequate, NHS England will apply its legal powers of direction to ensure these CCGs take action to support an improving position.

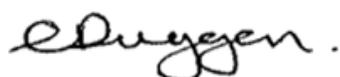
A letter will follow in due course from NHS England stating the requirements that will be underpinned by the legal directions.

These assessments were ratified by NHS England's Commissioning Committee when they met on 29 June. The 2015/16 annual assessment will be published on the CCG Assessment page of the NHS England website in mid-July. This year the headline assessment will be shown along with the five component assessments. At the same time the headline assessments **only** will be published on the MyNHS section of the NHS Choices website. I would ask that you please treat your assessments in confidence until NHS England has published the annual assessment report.

As you will be aware, NHS England has introduced a new Improvement and Assessment Framework for 2016/17. In mid-July, we expect *circa* 43 out of the 60 indicators in the framework to be uploaded to the myNHS website. Shortly thereafter over the summer, the baseline ratings of the clinical priority areas will be published on the myNHS website. You will be notified in advance of your CCGs rating, the methodology that has been applied, and the support offers for improvement.

Thank you again to you and your team for meeting with us and for the open and constructive dialogue, I hope this letter provides an accurate summary of our discussions and clearly outlines the next steps.

Yours sincerely



Clare Duggan  
**Director of Commissioning Operations**  
**NHS England, Cheshire & Merseyside**

## **ANNEX A – ASSURANCE SUMMARY 2015/16**

Throughout the year, we have identified the following areas of strength, areas of challenge and improvement and considered the key actions required against the five components of the 2015/16 framework. This includes: The need for a long term plan to implement the Five Year Forward View; Confirmation of an agreed service development and improvement plan to implement the new mental health access standards; and clarification of the CCG's position on primary care co-commissioning with NHS England.

### **Key Areas of Strength / Areas of Good Practice**

- The CCG has achieved the RTT Waiting Time Standard throughout the year;
- The CCG has achieved the 31 Day Cancer Waiting Time Standard throughout the year;
- The CCG had no confirmed MRSA (Post Infection Review) cases during the year.

### **Key Areas of Challenge**

- The CCG did not deliver the 2015/16 Financial Plan and did not meet the 2015/16 Business Rules;
- The CCG submitted a financial plan that showed a deficit for 2016/17;
- The Primary Care workforce is a significant challenge facing the CCG due to GP retirements and the area being under-doctored.
- Delivery of urgent care.

### **Key Areas for Improvement**

- The introduction of a referral management scheme is intended to manage the performance against the RTT Waiting Time Standard at Southport & Ormskirk Hospitals NHS Trust down to the 92% standard and help towards improving the CCG financial position;
- A&E performance at Southport & Ormskirk Hospitals NHS Trust remains a significant challenge for the CCG, with particular concerns around patient flow and system leadership.

### **Development Needs and Agreed Actions**

- NHS England commissioned an independent Capacity & Capability Review of the CCG, following the submission of a Financial Deficit Plan for 2016/17. The outcome of the Review will form the basis of an Action Plan to resolve issues identified.
- The CCG should consider the information in the 2016 360 Degree Stakeholder Feedback Survey and refine its Organisational Development Plan, particularly with regard to the engagement of member GP Practices, patients groups and health providers;
- The CCG must ensure that there is a focus upon Mental Health. In particular there needs to be a sustained improvement in performance against the IAPT metrics;
- Given the increase in the number of Mental Health Metrics in 2016/17, the CCG should consider approaching other CCGs to create a virtual team to enable the commissioning of mental health on a larger footprint.
- The CCG is looking at how contractual levers can be used more effectively. A restructure of the CCG staffing is also being carried out, alongside a refreshed performance framework. NHS England has confirmed that the CCG is expected to deliver a break-even position by 2017/18.
- A referral management scheme is to be implemented by the CCG and modelling of the effect of this on activity is to be carried out.

## **ASSURANCE COMPONENTS**

### **Well Led Organisation (Assured as Requires Improvement)**

Under this component of assurance the key areas for enquiry are strong and robust leadership; robust governance arrangements; actively involves and engages patients and the public and works in partnership with others, including other CCGs. We have also looked at how the CCG secures the range of skills and capabilities it requires to deliver all of its commissioning functions, including effective use of support functions and getting the best value for money.

A CCG which undergoes a Capacity and Capability Review (CCR) would have an assurance rating of **Requires Improvement** under Well Led component. It should be noted that NHS England has commissioned an independent Capacity & Capability Review of NHS Southport & Formby CCG, following the submission of a Financial Deficit Plan for 2016/17. The outcome of the Review will form the basis of a Recovery Plan to respond to the issues identified within the CCR to address the financial position.

As part of the assessment of the CCG's compliance with its statutory duties within the well led component we have also considered the six statutory functions which NHS England has required a more detailed focus on in 2015/16 because of the complexity of the issues or the degree of risk involved. These are:

- i. NHS Continuing Healthcare
- ii. Safeguarding of Vulnerable Patients
- iii. Equality and health inequalities
- iv. Learning disability
- v. Use of research
- vi. Special Educational Needs and Disabilities

### **CCG Compliance of Statutory Duties:**

#### **Safeguarding:**

- The CCG has confirmed that a Safeguarding report to be submitted to NHS England was signed off by the CCG Quality Committee week. NHS England is sited on all Safeguarding issues and the CCG has confirmed that a substantive vulnerable patient lead is in post.

#### **Performance for Transforming Care:**

- It was reported that there were no significant concerns.

#### **Continuing Health Care (Previously Unassessed Periods of Care):**

- The plan is currently on trajectory and there are no significant issues.

#### **Equality and Health Inequality:**

- It was confirmed following the annual assurance meeting that the CCG is fully compliant with EDS2 requirements.

#### **360 Degree Stakeholder Feedback Survey:**

- There was a significant reduction in the respondents reporting positively (54%) in relation to "what extent do you agree or disagree that the CCG has listened to your views where you have provided them". This was a reduction of 18% from 2015;

- Only 49% of respondents reported that they considered that the “CCG involves and engages with the right individuals and organisations when making commissioning decisions”. This was a reduction of 20% from 2015. However, only 3% of stakeholders said that they were “unhappy with the way the CCG has engaged over the previous 12 months”;
- Only 20% of stakeholders reported were of the opinion that “the CCG has engaged with seldom heard groups”;
- The survey reported that proportion of stakeholders agreeing that “there is clear and visible leadership of the CCG” has against 2015, but the proportion agreeing that “the leadership of the CCG is delivering continued quality improvements” has reduced to 51%;
- 97% of stakeholders agreed that “if I had concerns about the quality of local services I would feel able to raise my concerns with the CCG”. However the survey showed a reduction in those indicating that “when I have commented on the CCG’s plans and priorities I feel that my comments have been taken on board” against 2015;
- Only 40% of stakeholders feel able to influence the CCG’s decision-making process.

### **Delegated Functions (Assured as Good)**

Specific additional assurances have been required from CCGs with responsibility for delegated functions in 2015/16. This is in addition to the assurances needed for out-of-hours Primary Medical Services.

- No material issues had been noted on the Delegated Functions Self-Certifications that had been received to date.
- The CCG confirmed that from 1<sup>st</sup> April 2016, it will be adopting Primary Care Commissioning responsibilities for General Medical Services under joint arrangements with NHS England.

### **Finance (Assured as Inadequate)**

We have monitored the CCG’s financial management and performance throughout the year, including looking at the quality of financial data submitted and how the CCG has managed its financial problems.

- The CCG did not deliver the 2015/16 Financial Plan and did not meet the 2015/16 Business Rules;
- The CCG has acknowledged a requirement for greater pace in implementing changes to improve their financial situation. The non-achievement of the full 2015/16 QIPP plan has had a significant impact on the CCG’s financial position.

The assessment was in line with the following nationally accepted criteria, as advised during the Regional Moderation process:

<b>Performance category</b>	<b>Assurance Rating</b>
Achieving or exceeding plan and 1% underspend	Assured as Good
Achieving or exceeding plan and < 1% underspend	Limited Assurance Requires improvement
Not achieving plan with underspend > 1%	Limited Assurance Requires improvement
Not achieving plan with underspend < 1% or	Inadequate

breakeven	
Achieving or over-performing against a deficit plan and reporting a deficit	Limited Assurance Requires improvement
Failing to deliver an underspend or breakeven plan and in deficit	Inadequate
Failing to deliver a deficit plan	Inadequate

### **Performance (Assured as Requires Improvement)**

We have reviewed how well the CCG has delivered improved services, maintained and improved quality, and ensured better outcomes for patients, including progress in delivering key Mandate requirements, NHS Constitution standards.

#### **Diagnostics:**

- The CCG has breached the Diagnostics Waiting Time in 8 months of the year. However, this was driven by performance at the tertiary trusts as the local acute trust only breached in March 2016.

#### **52 Week Waiting Times:**

- The CCG had no patients waiting more than 52 Weeks for treatment.

#### **62 Day Cancer:**

- The CCG breached the Waiting Time Standard in 6 months of the year.

#### **MRSA:**

- The CCG had no confirmed (Post Infection Review) cases during the year.

#### **CDiff:**

- The CCG only exceeded the ceiling on CDiff cases for the year by one case.

#### **RTT:**

- The CCG achieved the RTT Waiting Time Standard throughout the year.

#### **Dementia:**

- The CCG was achieving the Ambition at the end of Quarter 3.

#### **Improving Access to Psychological Therapies (IAPT):**

- The CCG was not achieving the Access Ambition as at the end of Quarter 3.
- The CCG was not achieving the Recovery Ambition as at the end of Quarter 3.

#### **Care Programme Approach:**

- The CCG achieved the Standard throughout the year.

#### **Mixed Sex Accommodation:**

- The CCG had 45 breaches of the Standard during the year.

#### **Urgent Care:**

- Performance against the 4hr A&E Waiting Time Standard at Southport & Ormskirk Hospitals NHS Trust (Type 1 Service) has been well below the 95% standard. Although the report from the recent CQC inspection is still to be received, particular concerns have been highlighted around the senior leadership within the trust and the management of patient flow and this has contributed to the poor performance.

### **Planning (Assured as Inadequate)**

Assurance of CCG plans is a continuous process, covering annual operational plans and related plans such as those relating to System Resilience Groups, the Better Care Fund, and longer term strategic plans including progress in implementing the Five Year Forward View. This component also considers progress in moving providers from paper-based to digital processes and the extent to which NHS number and discharge summaries are being transferred digitally across care settings to meet the ambition for a paperless NHS.

A CCG planning a financial deficit in 2016/17 would have an assurance rating of ***Inadequate*** under the Planning component.

- The CCG has submitted an Activity Operational Plan, in accordance with the National Expectations. However, the CCG Operational Plan lacked detail regarding delivery of ambition and the financial plan showed a deficit for 2016/17, which has resulted in the assurance level for this component;
- As a consequence a financial recovery plan was requested;
- The Better Care Fund Plan is currently Not Approved;
- The System Resilience Group Winter Plan was Not Assured.