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Dear Hugh

### **2015/16 CCG Annual Assessment**

Thank you for meeting with my Team on 12 May 2016 to discuss the CCG's annual assessment for 2015/16. I am grateful to you and your team for the work you did to prepare for the meeting and for the open and transparent nature of our discussions.

The enclosed document provides a brief summative assessment of the assurance meetings held over the last year in terms of the strengths, challenges and areas for improvement against the assurance components in the 2015/16 CCG Assurance Framework, which informed the CCG's 2015/16 annual headline rating.

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 Cumbria 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 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.

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. We look forward to continuing to work with you to improve the health and wellbeing of the residents of Cumbria.

Yours sincerely



**Tim Rideout**

**Director of Commissioning Operations  
NHS England, Cumbria and the North East**

## **Annex A – 2015/16 summary of assurance**

### Well Led Organisation

Under this component we have assessed the extent to which the CCG has strong and robust leadership; has 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.

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:

- NHS Continuing Healthcare;
- Safeguarding of Vulnerable Patients;
- Equality and health inequalities;
- Learning disability;
- Use of research;
- Special Educational Needs and Disabilities.

The assessment made for this domain is requires improvement.

### Delegated Functions

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

The assessment made for this domain is good.

### Finance

Under this component we have reviewed the CCG's financial management capability, governance and performance throughout the year, including looking at data quality and how the CCG has used contractual enforcement or remediated any financial problems.

The assessment made for this domain is requires improvement.

## Performance

Under this component we looked at 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 and NHS Constitution standards.

The assessment made for this domain is inadequate.

## Planning

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 considered 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.

The assessment made for this domain is inadequate.

At our annual assessment meeting we identified the following areas of strength, areas of challenge and improvement together with the key actions required against the five components of the 2015/16 framework.

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

We would like to acknowledge the overall progress the CCG has made to date in addressing local issues and challenges.

You outlined the good progress that the CCG has made during 2015/16 across a range of initiatives, with many positive achievements in relation to health outcomes and health improvement, with examples including a weight management pilot scheme; improvement in the 4 week quit rate through the smoking cessation scheme; the diabetes work using the DESMOND and DAFNE models that has been recognised at a national level; and a clinically led improvement scheme for GP's based on new metrics.

Regarding quality and safety, good progress has been made with regard to transforming care, whilst PUPOC is behind trajectory we noted that you have agreed a recovery plan to bring you back on track.

I would like to take this opportunity to thank you for your ongoing commitment and contribution to the work of the Cumbria Local Health Resilience Partnership; and particularly your proactive and effective on call response to the flooding in Cumbria and fire incidents at Cumberland Infirmary in support of NHS England.

## Key Areas of Challenge

There have been significant quality issues throughout the year, more so in Quarter 3 and whilst we acknowledge the long term solutions will be delivered by the Success Regime, there were some fundamental concerns that required support and direction to the CCG from NHS England. This included:

- Senior Nursing leadership support two days a week for three months with jointly agreed terms of engagement;
- CCG Quality diagnostic and development of a CCG Quality Framework;
- Agreement of an action plan with immediate, short and long term deliverables;
- Establishment of a stakeholder Quality Improvement Board for North Cumbria University Hospitals;
- Immediate recruitment of a substantive and experienced Director of Nursing.

We acknowledged the progress made in this significantly important area at the Quarter 4 assurance meeting, and expect to see demonstrable progress in the coming months.

Sustained delivery of the NHS Constitutional standards remains a significant concern as the system continues to be fragile given the scale and breadth of challenges; key pressures being A&E 4 hour waits, cancer standards, RTT and 52 week waiters. NHS England acknowledges the efforts made by the CCG to improve performance and there is evidence of improved delivery with regard to diagnostics and waiting times. The 2016/17 improvement trajectories agreed with the main acute provider are stretching and will require concerted efforts from all partners to ensure step improvement and sustained delivery.

We have discussed the CCG financial situation in detail regularly throughout the year. The financial performance did not meet all business rules, although the CCG was able to deliver the statutory duty to break even. Deterioration in the plan was due predominantly to the CCGs contribution to the Morecambe Bay local price modification, which the organisation was unable to be absorb fully in the context of over performance on acute activity and under delivery of QIPP initiatives.

The 2016/17 Operational plans fail to meet national planning requirements and the business rules. It is imperative that the Financial Recovery Plan is finalised quickly and implemented, setting out clearly the agreed initiatives and timelines to deliver the £36m QIPP challenge in full, with a broader risk management strategy that will ensure delivery or improvement on the current 16/17 planned deficit of £8.5m. NHS England will continue to work with you in supporting the development of the financial recovery plan.

## **Key Areas for Improvement**

As noted above, the financial challenges are significant and 2016/17 financial plan is high risk. Although a Financial Recovery Plan has been prepared, considerably more work is required to develop schemes that fully address the challenge and there is limited evidence of traction in implementation. NHS England will continue to monitor the FRP development and implementation. We will also work with the CCG to find whole system solutions as part of Success Regime and Better Care Together.

We discussed the progress in developing the STP for Cumbria and the alignment with the Success Regime. Adherence to the mandated national timeline will be critical in ensuring the agreement of the pre consultation business case, thereby enabling the public consultation to commence in the autumn. It is recognised that Cumbria CCG has a key leadership role to play in the development and implementation of the STP, working with all partners in the local health economy of West, North and East Cumbria but also having a sizeable role in the Better Care Together strategy in South Cumbria, and across the wider North East footprint.

The recent external organisational development review commissioned by NHS England, identified a number of capacity, capability and governance issues within Cumbria CCG. The complexity of operating within two STP footprints, two distinct strategic solutions and a number of providers with significant performance and quality challenges was acknowledged. This operating environment requires significant leadership input which is not sustainable in its current form. It is important now to significantly strengthen the senior leadership team through the appointments of a CCG AO and Chief Operating Officer. Furthermore, it is deemed entirely appropriate and timely to explore a change in the Cumbria CCG boundary with Lancashire North CCG which will result in Cumbria CCG becoming coterminous with the West, North and East STP and importantly, aligned with the Success Regime.

## **Development Needs and Agreed Actions**

Given the scale and breadth of the challenges facing Cumbria CCG, external intervention is now required with a series of directions to be set by NHS England. I will write separately regarding the requirements that will be underpinned by the legal directions; and we will work jointly with you to identify the support you need to ensure the directions are implemented quickly.

## **Summary**

Overall we would like to acknowledge the improvements and progress you have made over the last year. It has been a challenging year for the CCG given the breath of issues it has been required to respond to, from both an operational and strategic perspective. We also wish to record and acknowledge the efforts and commitment of staff in the CGG in seeking to drive improvement, which on occasions has been demanding and pressured.