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Dear David

2018/19 CCG annual assessments

The CCG annual assessment for 2018/19 provides each CCG with a headline assessment against the indicators in the CCG Improvement and Assessment Framework (CCG IAF). The headline assessments have been confirmed by NHS England's Statutory Committee.

This letter provides your annual assessment, as well as a summary of any areas of strength and where improvement is needed (**Annex A**). There are many areas where the CCG is in the upper quartile of CCGs nationally and a good understanding of those areas that require improvement, which provide a solid foundation for moving forward in 2019/20.

Detail of the methodology used to reach the overall assessment for 2018/19 can be found at **Annex B**. The categorisation of the headline rating is either Outstanding, Good, Requires Improvement or Inadequate.

The 2018/19 headline rating for North Cumbria CCG is **Good**. Maintaining a rating of Good in the current climate is to be commended.

The 2018/19 annual assessments will be published on the Commissioning Regulation pages of the NHS England website in July. At the same time they will be published on the MyNHS section of the NHS Choices website. The Q4 IAF dashboard will be issued with year-end ratings in July.

I would ask that you please treat your headline rating in confidence until NHS England has published the annual assessment report on its website. This rating remains draft until formal release.

2019/20 will be a transitional year for commissioner and provider oversight arrangements, although the CCG annual assessment process remains a familiar one.



The NHS Long Term Plan requires local NHS organisations to increasingly focus on population health and move towards Integrated Care Systems (ICS) as these are central to the delivery of the LTP. Looking forward to 2019/20 from a CCG perspective this reinforces the need for greater collaboration in developing strategic commissioning across a larger geography. The expectation set out in the LTP is that CCGs will become leaner, more strategic organisations that support providers to partner with local government and other organisations on population health management, service redesign and LTP implementation.

Given the recent announcement of North East and North Cumbria becoming a Wave 3 ICS, further progress locally will be dependent on proactive CCG participation in the development of the Local System Working and wider ICS during 19/20 and beyond. It is essential that participation is from both managerial and clinical leaders to successfully progress delivery of the agreed priority workstreams.

In addition, specific to North Cumbria, it is expected that progress will be made to embed the Integrated Care Community model and to effectively manage the transition of mental health services to Northumberland Tyne and Wear Foundation Trust whilst maintaining service delivery and service improvement programmes.

Thank you for your CCG's contribution to the delivery of the Five Year Forward View, and your continued focus on driving improvements across health and social care for local people through partnership working. I appreciate that this has been challenging in the context of ever-increasing demand. Building on the Five Year Forward View, I look forward to working with you and colleagues during 2019/20 to begin to deliver the NHS Long Term Plan to achieve better outcomes for patients and local communities both through place-based integration and working at scale across North East and North Cumbria ICS.

Yours sincerely,



Alison Slater
Director of Strategy and Transformation - North East and North Cumbria
NHS England and NHS Improvement - North East and Yorkshire

Annex A – 2018/19 summary

Key Areas of Strength / Areas of Good Practice

According to the latest available data, North Cumbria CCG is rated in the top quartile of CCGs nationally on the following indicators:

- Attendance of structured education course
- Injuries from falls in people 65yrs +
- High quality care - primary care
- High quality care - adult social care
- MH - DQMI
- Experience of maternity services
- Hospital bed use following emergency admission
- Primary care access
- Primary care workforce

Clinical Priority Areas rated as good or outstanding include:

- Mental Health
- Maternity
- Diabetes

Key Areas of Challenge

According to the latest available data, North Cumbria CCG is rated in the lowest quartile of CCGs nationally on the following indicators:

- AMR: appropriate prescribing
- High quality care - acute
- One-year survival from all cancers
- LD - reliance on specialist IP care
- Delayed transfers of care per 100,000 population
- 18 week RTT
- 6 week diagnostics
- Utilisation of the NHS e-referral service
- Progress against WRES
- Working relationship effectiveness

Key Areas for Improvement

- Continue to ensure a constant focus on finance and delivery of QIPP.
- Maintain a close grip on quality and the sustainable delivery of the NHS constitutional standards in particular A&E, RTT and diagnostics and Cancer 62 days.
- Work across the system to drive quality improvements, increase efficiency and value for money in Continuing Health Care
- Continue to deliver the requirements set out in 'Building the Right Support', through transformation of local services, developing person centred community models of care and support which lead to positive quality outcomes.

Clinical Priority Areas where the CGG has been rated requires improvement or inadequate include:

- Cancer
- Dementia
- Learning Disabilities

Annex B – Overall assessment methodology

NHS England’s annual performance assessment of CCGs 2018/19

1. The CCG IAF comprises 58 indicators selected to track and assess variation across policy areas covering performance, delivery, outcomes, finance and leadership. Assessments have been derived using an algorithmic approach informed by statistical best practice; NHS England’s executives have applied operational judgement to determine the thresholds that place CCGs into one of four overall performance categories.

Step 1: indicator selection

2. A number of the indicators were included in the 2018/19 IAF on the basis that they were of high policy importance, but with a recognition that further development of data flows and indicator methodologies may be required during the year. By the end of the year, there were three indicators that were excluded as there was no data available for the measures: Percentage of deaths with three or more emergency admissions in last three months of life, Cardiometabolic assessment in mental health environments and Children and young people’s mental health services transformation.

Step 2: indicator banding

3. For each CCG, the remaining indicator values are calculated. For each indicator, the distance from a set point is calculated. This set point is either a national standard, where one exists for the indicator (for example in the NHS Constitution); or, where there is no standard, typically the CCG’s value is compared to the national average value.
4. Indicator values are converted to standardised scores (‘z-scores’), which allows us to assess each CCG’s deviation from expected values on a common basis. CCGs with outlying values (good and bad) can then be identified in a consistent way. This method is widely accepted as best practice in the derivation of assessment ratings, and is adopted elsewhere in NHS England and by the CQC, among others. ¹
5. Each indicator value for each CCG is assigned to a band, typically three bands of 0 (worst), 2 (best) or 1 (in between).²

Step 3: weighting

6. Application of weightings allows the relatively greater importance of certain components (i.e. indicators) of the IAF to be recognised and for them to be given greater prominence in the rating calculation.
7. Weightings have been determined by NHS England, in consultation with operational and finance leads from across the organisation, and signal the

¹ Spiegelhalter et al. (2012) *Statistical Methods for healthcare regulation: rating, screening and surveillance*

² For a small number of indicators, more than 3 score levels are available, for example, the leadership indicator has four bands of assessment.

significance we place on good leadership and financial management to the commissioner system:

- Performance and outcomes measures: 50%;
- Quality of leadership: 25%; and,
- Finance management: 25%

8. These weightings are applied to the individual indicator bandings for each CCG to derive an overall weighted average score (out of 2).

Figure 1: Worked example

Anytown CCG has:

- Quality of leadership rating of “Green” (equivalent to a banded score of 1.33)
- Finance management rating of “Green” (equivalent to banded score of 2)
- For the remaining 53 indicators, the total score is 49.5.
- These scores are divided through by their denominator and weighted to produce an overall domain weighted score:

$$\left(\frac{1.33}{1}\right) \times 25\% + \left(\frac{2}{1}\right) \times 25\% + \left(\frac{49.5}{53}\right) \times 50\% = 1.3$$

Step 4: setting of rating thresholds

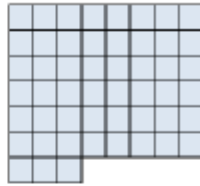
9. Each CCG’s weighted score out of 2 is plotted in ascending order to show the relative distribution across CCGs. Scoring thresholds can then be set in order to assign CCGs to one of the four overall assessment categories.
10. If a CCG is performing relatively well overall, their weighted score would be expected to be greater than 1. If every indicator value for every CCG were within a mid-range of values, not significantly different from its set reference point, each indicator for that CCG would be scored as 1, resulting in an average (mean) weighted score of 1. This therefore represents an intuitive point around which to draw the line between ‘good’ and ‘requires improvement’.
11. In examining the 2018/19 scoring distribution, there was a natural break at 1.45, and a perceptible change in the slope of the scores above this point. This therefore had face validity as a threshold and was selected as the break point between ‘good’ and ‘outstanding’.
12. NHS England’s executives have then applied operational judgement to determine the thresholds that place CCGs into the ‘inadequate’. A CCG is rated as ‘inadequate’ if it has been rated red in both quality of leadership and financial management.
13. This model is also shown visually below:

Deriving the CCG IAF assessment ratings

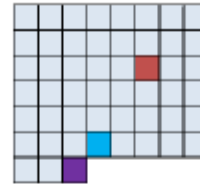
Step 1:

Indicators selected and calculated

The CCG IAF publishes data for a number of indicators...



...which are then used to produce the end of year rating.

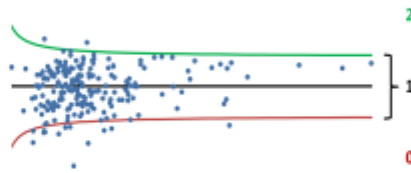


Values are derived for each CCG for each indicator. There is 1 indicator in the Finance domain and 1 for Quality of leadership.

Step 2:

Indicators banded

Measure of deviation ("z-score") calculated for each CCG value. Outlying CCGs assigned to bands with scores of 0 (worst) to 2 (best).



The process is repeated for all available indicators (example scores shown for Anytown CCG).

1	1	1	1	0	1	0	2
1	1	2	1	1	1	0	1
1	1	1	2	1			1
1	1	1	2	1	2	1	1
0	1	1	1	1	2	1	1
1	1	1	2	0	2	0	1
2	0	1					

Step 3:

Weights applied, average score calculated

Weightings set to:

- Finance: 25%
- Leadership: 25%
- The rest: 50%

Bandings for each domain are summed and divided by the count of indicators in that domain, then multiplied by the relevant weighting.

Worked example for Anytown CCG

Overall score calculated for CCG as sum of:
 [Finance] 25% * (2 / 1 indicator)
 +
 [Leadership] 25% * (1.333 / 1 indicator)
 +
 [The rest] 50% * (49.5 / 53 indicators)

= score of 1.3
(out of a possible 2)

Step 4:

Scores plotted and rating thresholds set

The distribution of average scores (out of 2) is plotted for all CCGs. The threshold between "Requires Improvement" and "Good" is then set at the mid-point of 1; for "Outstanding" it is set at a natural break at the upper end of the distribution and for "Inadequate" an auto-rule is applied to include all CCGs whose Finance and Leadership ratings are both Red. In the example shown, there is a step change at 1.45 which forms the lower threshold for "Outstanding".

