

Dr Geoff Jolliffe, Chair
Dr Hugh Reeve, interim Chief Clinical
Officer
NHS Cumbria CCG
Lonsdale Unit
Penrith Hospital
Bridge Lane
Penrith
Cumbria
CA11 8HX

NHS England
North East Office
Waterfront 4
Newburn Riverside
Newcastle Upon Tyne
NE15 8NY

Telephone – 01138 253314

24th August 2016

Dear Dr Jolliffe and Dr Reeve,

NHS Cumbria CCG – APPLICATION OF DIRECTIONS BY NHS ENGLAND

I am writing further to my letter of 8th July 2016, that had the results of your annual assessment for 2015/16, to confirm that formal Directions have been applied to NHS Cumbria CCG using NHS England's powers conferred by section 14Z21 of the NHS Act 2006 (as amended). NHS England's Board has judged it appropriate that it should use its statutory powers of intervention to issue Directions to NHS Cumbria CCG, to ensure that the serious governance, leadership and financial weaknesses identified at the CCG are effectively addressed. The Directions have been agreed by a sub-committee of the Board and their removal will also require a Board decision, subject to satisfactory compliance.

Please accept my apologies that I was unable to coordinate writing to you with the Directions prior to the Financial Reset announcement nationally.

The directions themselves are enclosed with this letter and focus on five key areas:

- Implement the improvement plan to address fully the recommendations in the external review of the capacity, capability and governance of the CCG
- The development of a financial recovery plan that ensures that the CCG achieves an in-year deficit of no greater than £8.5m in the financial year 2016/17;
- Strengthening the finance and programme management functions of the CCG
- NHS England will determine the process for making your new Accountable Officer appointment;
- That NHS England will be involved in the process to make any new appointments to your Executive Team and the next tier of management.

These Directions will be effective from 1 September 2016 and will apply until they are varied or revoked by NHS England.

You have been directed to develop a revised Improvement Plan that will set out how you will ensure that the capacity, capability and governance of the CCG is fit for purpose and so addresses the issues raised by the recent Capacity and Capability Review.

In respect of the directions relating to your Financial Recovery Plan (FRP), we will be in touch soon to arrange a meeting with Audrey Pickstock, Director of Finance NHS England (North – Cumbria and North East), supported by Tim Savage, Director of Finance (NHS England – North), to review the latest draft. You must also be able to demonstrate that your Governing Body has taken the necessary ownership of the FRP and that it understands it at a level which allows proper challenge and debate, with clarity going forward as to the collective actions necessary to deliver the desired outcomes. I know that you will keep the Governing Body and the wider membership of the CCG apprised of progress with these requirements on a regular basis.

These Directions require you to involve NHS England in the process to appoint a new Accountable Officer. I know that we have already begun this process together. NHS England will continue to be involved in this appointment and will support you to get a new AO in post.

Furthermore these Directions mean that no appointments can be made by the CCG to the Executive Team or to posts reporting directly to it without the involvement and prior approval of NHS England. Please let me know on receipt of this letter if there are any posts which meet these criteria so that we can work with you to ensure that you build the appropriate capacity for the challenges you face. We will then agree with you how to handle the filling of any subsequent vacancies.

I will also agree with you the plan to address the issues in the Directions and the frequency of the follow up meetings to review progress against the issues identified. These reviews will need to take into account the timescales identified in this plan and also inform future consideration as to when NHS England can be advised that the Directions can be removed.

I know that yourselves, the Governing Body and the Council of Members appreciate the seriousness of the situation for the CCG and I am confident you will take the required actions set out in these Directions within the timescales specified, in order to progress towards a situation where the Directions are no longer needed.

Yours sincerely



Tim Rideout
Director of Commissioning Operations (Cumbria and the North East)
NHS England