

12 January 2018

By email: [david.rogers@cumbriaccg.nhs.uk](mailto:david.rogers@cumbriaccg.nhs.uk)

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Dear Dr Rogers,

### **NHS North Cumbria CCG – REMOVAL OF DIRECTIONS BY NHS ENGLAND**

I am writing further to Tim Rideout's letter of 15 September 2016 that confirmed that Directions had been applied to NHS Cumbria CCG [sic] using NHS England's powers conferred by section 14Z21 of the NHS Act 2006 (as amended). NHS England's Board had judged it appropriate that it should use its statutory powers of intervention to ensure that a range of issues that had been identified were addressed.

Over the past 18 months NHS England colleagues have been assuring the work of the CCG and this has been underpinned by good co-operation and responsiveness from CCG colleagues throughout the process. The CCG has delivered the required changes to leadership, governance, financial control and organisational capacity set out in the Directions and is working well with its system partners to deliver the Five Year Forward View and also as part of the move towards an Accountable Care System (ACS) in West, North and East Cumbria.

Good progress was made in 2016/17 in addressing the financial issues identified in the Directions and although the CCG was unable to deliver its control total in 2016/17, with a final outturn deficit of £11.2m against a plan deficit of £8.5m this was in the context of the significant financial risks presented by the Morecambe Bay NHS Foundation Trust tariff modification agreement which was a material factor in the 2016/17 deficit position. However from April 2017 as 32 South Cumbria practices joined Lancashire North CCG one result was that the tariff modification issue is no longer one for North Cumbria CCG.

The CCG is currently forecasting an in-year deficit of £3.1m for 2017/18 as well as the meeting of all NHS finance business rules, including a contribution to the system

risk reserve and delivery of the Mental Health investment standards. This will represent a significant improvement on the position at the end of 2016/17.

The change in April 2017 to the membership of the CCG was accompanied by associated changes to the makeup of the CCG's leadership and its governing body as well as a change of name to NHS North Cumbria CCG. These changes were addressed in a way that enabled the CCG to operate effectively and it also enabled the CCG, with the support of the NHS Success Regime, to develop improved relationships with both North Cumbria University Hospitals NHS Trust and Cumbria Partnership NHS Foundation Trust to address the financial, performance and quality issues facing West, North and East Cumbria. In addition it has facilitated work by the CCG and the FTs along with Cumbria County Council to develop a potential ACS.

The CCG took steps to improve its capacity and capability including through the implementation of an Improvement Plan with progress against this validated externally by PwC as well as by NHS England. This work was complemented by the steps taken to ensure the leadership of the CCG with a new Chair and Accountable Officer (AO) appointed along with a Chief Executive post recruited to in support of the statutory roles and a strengthened management team. These arrangements have worked well to help the CCG to address the issues in the Directions.

In the CCG Improvement and Assessment Framework for 2016/17 the CCG was rated as Requires Improvement overall which marked an improvement on the Inadequate rating made for 2015/16. At quarter one and quarter two 2017/18, the in-year financial performance indicator was Green. It is proposed that the Quality of Leadership indicator rating is adjusted to Green in quarter 2. Both of these quarter two in-year ratings remain subject to national moderation.

Taking this progress into account a review has been undertaken by NHS England and I am now pleased to be able to confirm that it has been agreed by NHS England's Board that the Directions can be withdrawn. This letter provides confirmation that NHS North Cumbria CCG is no longer subject to any Directions from NHS England and that the Directions will be with removed from our website.

I am very appreciative of the response from everyone in the CCG following the assessment in 2016 and the resulting Directions and for the work that has been done since then. I wish you and your colleagues well for the future.

Yours sincerely



**Richard Barker**  
**Regional Director (North)**

cc Alison Slater  
Jon Rush  
Stephen Childs  
Carol Stublely  
Tim Savage  
Colin McIlwain