

NHS COMMISSIONING BOARD AUTHORITY

Minutes of the Board Meeting Held in Public on 2 February 2012

Present: Professor Malcolm Grant, Chairman
Sir David Nicholson, Chief Executive
Mr Ed Smith, Non-Executive Director
Mr Ciaran Devane, Non-Executive Director
Sir Bruce Keogh, National Medical Director
Mr Paul Taylor, Interim Director of Finance

In attendance: Mr Bill McCarthy, Managing Director Commissioning Board

Ms Jo-Anne Wass – Chief of Staff, Office of the NHS Leadership Team, Department of Health
Dame Christine Beasley – Chief Nursing Officer, Department of Health
Ms Lorraine Middlemas, Board Secretariat

Apologies: Dame Barbara Hakin, National Managing Director Commissioning Development, Department of Health

MINUTES OF MEETING

Item 1 – Oral Item – Welcome

1. The Chair opened the meeting and welcomed Ciaran Devane as a Non-Executive Director.
2. The Chair noted that NHS CBA will be conducting its business in an open and transparent way. Where possible the Board meetings will be live streamed” and held at different locations, around the country.

Minutes of Meetings

3. The minutes of the previous meeting, held on 9 December 2011, were approved.

Matters Arising

4. Under matters arising, a query on equality was raised, but it was agreed to take this issue under item 5 on the agenda (Equality Analysis – Functions of the NHS Commissioning Board Authority).

Item 2 – Paper NHSCBA/02/2012/5 Structural Design Proposals – Organisational Design

5. This paper contained recommendations on the organisational design of the NHS Commissioning Board (NHS CB). It covered:

- the context for the design process;
- the disposition of the NHS CB's running cost budget;
- the NHS CB's approach to matrix working;
- the design of the NHS CB's directorates, including the sectors and local Offices;
- key issues and risks associated with the design process; and
- next steps.

6. The main points discussed by the Board were:

- based on the contents of the paper, the Board was keen to understand the risks associated with the capacity to deliver the work programme;
- as the organisational design developed, and directors were appointed, it is likely that part of the £60 million contingency fund will need to be deployed to mitigate risk. However, it was acknowledged that the NHS CB had to manage within the resources designated for the future commissioning system. Any call on the contingency fund would only be made if absolutely necessary.
- it was agreed that the Board would be provided with regular updates through the programme reporting, including the management of funding;
- in developing the organisational design of the NHS CB, it was important to ensure that matrix working focused the entire organisation on improving outcomes; and
- a number of design issues, for example the scope of public health commissioning and informatics responsibilities, could not to be finalised pending DH decisions on budget.

7. The Board resolved to approve the structural design proposal, including the:

- disposition of the NHS CB's running costs;
- directorate structures and staffing; and
- model of matrix working as a basis for further work.

Action: As the organisational design work develops, the Board would require regular progress reports on any change in direction, capacity issues, and the disposition of resources, including the management of funding, slippage and risks.

Item 3 – Paper NHSCBA/02/2012/6 - Governance for Clinical Commissioning Groups and Paper NHSCBA/02/2012/7 - Authorisation of Clinical Commissioning Groups

Paper NHSCBA/02/2012/6 - Governance for Clinical Commissioning Groups

8. This paper informed Board members of the proposed requirements and support for Clinical Commissioning Groups (CCGs) in designing their governance. It signalled the intent to publish the final version of *Towards establishment: Creating responsive and accountable clinical commissioning groups* and its two technical appendices *Managing conflicts of interest* and *Supporting material for clinical commissioning groups*.
9. The Board was asked to agree and approve the publication and its appendices.

Paper NHSCBA/02/2012/7 - Authorisation of Clinical Commissioning Groups

10. This paper informed the Board of the proposed arrangements for the authorisation of CCGs and sought formal adoption of *Developing Clinical Commissioning Groups: Towards Authorisation* as the basis for future work.
11. It was important to note that elements of this paper were subject to passage of the Health and Social Care Bill and subsequent secondary legislation.

Discussion of issues

12. Board members agreed to take these two papers together. The main comments were:
 - although authorisation had not been finalised, the guidance could go out in draft form;
 - a process for capturing good practice and passing on learning from one organisation to another needed to be established, so that all CCGs could benefit in a developmental way;
 - the authorisation process should not become a “tick box” exercise. Clarity was also required regarding the governance around the authorisation process. Proper feedback on how well the authorisation process was going was required; and
 - Board members acknowledged the “evolutionary” and “revolutionary” aspects to this work and were keen to ensure that learning is taking place within an open and fluid process, rather than adopting a prescriptive approach.
13. The Board resolved to:
 - approve publication of *Towards establishment: Creating responsive and accountable clinical commissioning groups*, and its two technical appendices;
 - note progress on authorisation of CCGs and formally adopt *Developing Clinical Commissioning Groups: Towards Authorisation*;
 - agree the future work plan on authorising CCGs as outlined in the paper; and
 - note the key risks identified around CCG authorisation and the proposed actions to manage these risks.

Item 4 – Paper NHSCBA/02/2012/8 – Commissioning Support

14. This paper updated the Board on progress over the last year. It signalled the intent to publish the final version of *Developing Commissioning Support – Towards Service Excellence* and set out the next steps and critical timeline going forward.

15. Board members were asked to:

- note and agree the key next steps for the assessment and development of commissioning support through the Business Development Unit;
- approve publication of the final version of *Developing Commissioning Support – Towards Service Excellence*; and
- note that further updates will be shared with the Board at key points throughout the commissioning support programme and business review process.

16. The main points discussed by Board members were as follows:

- it was accepted that the knowledge and understanding on commissioning support was concentrated in existing PCTs and SHAs. This talent needed safe-guarding, as much of the change in the NHS would be driven by local organisations. There was a requirement to ensure stability in the system and mitigate significant risks, including financial risks;
- it was important for commissioning support units to have negotiated good finance and accounting systems, as, from a governance perspective, this would help manage funding and financial risks;
- on the scale of the risk, some organisations had quite large turnovers (approximately £500m). In addition, if some CCGs decided not to take on particular services, there may be a liability of redundancy (approximately £500m). It was important for the Board to be alert to these risks. To mitigate the risk, CCGs would have to have proper sign-off by the NHS CBA against their business plan, and the NHS CBA will need to know which customers had signed-up before taking any action; and
- Board members raised concerns regarding sufficient capacity in the system to manage transition and reconfiguration. It was acknowledged that there were risks associated with both of these things, but change would need to be managed as it developed. The transition and reconfiguration processes were on-going and there was a series of checkpoints in place, so things were being signed-off as the work progressed through the system.

17. Board members were very supportive of the processes and recommendations set out in the paper. The Board resolved to:

- note and agree the key next steps for the assessment and development of commissioning support;

- approve publication of the final version of *Developing Commissioning Support – Towards Service Excellence*; and
- note that further updates will be shared with the Board at key points throughout the commissioning support programme and business review process.

Action: Further updates should be shared with the Board at key points in the commissioning support programme and the business review process.

Item 5 – Paper NHSCBA/02/2012/9 – Equality Analysis – Functions of the NHS Commissioning Board Authority

18. The purpose of this paper was to ensure Board members were aware of the key issues and recommended actions emerging from the equality analysis of the Authority's functions, and enable the Board to consider its response.
19. Board members wanted to reinforce the importance of measuring equality and having analytical capacity in the NHS CBA to do this work.
20. Board emphasised the link into the organisation development programme, and work being done on training and leadership development.
21. The Board resolved to:
 - receive a copy of the published equality analysis for information; and
 - approve the draft response to the equality analysis.

Item 6 – Paper NHSCBA/02/2012/10 – Standards of Business Conduct (including Policy for Staff on Declarations of Interest)

22. This paper set out the proposed policy that will provide the NHS CBA with Standards of Business Conduct, including a policy for staff on Declarations of Interest.
23. Board members were asked to approve the proposed Standards of Business Conduct.
24. Board members agreed with the recommendations set out in this paper. They acknowledged that as a new organisation it was important to have these standards in place, particularly as staff were being recruited. They were a fundamental part of the NHS CBA's governance arrangements.
25. Board members were informed that the Audit Committee would expect to monitor these standards and ensure proper processes were in place to escalate matters to the Board, as required.
26. It was noted that current Declarations of Interest were on the NHS CBA's website.
27. The Board resolved to approve the Standards of Business Conduct Policy.

Item 7 – Oral Item Any Other Business

28. None.

29. The date of the next meeting is 13 April 2012.