NHS Commissioning Board
A special health authority

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BOARD PAPER - NHS COMMISSIONING BOARD AUTHORITY (NHS CBA)

Title: Clinical commissioning groups (CCGs) – authorisation progress update
Clearance: Dame Barbara Hakin, National Director: Commissioning Development
Purpose of Paper: • to provide an update on the key governance issues remaining to complete the authorisation process and to request approval for the proposed approach.
Key Issues and Recommendations: The report identifies four key governance issues and the recommended approach to each issue. 1. Appointment of panel chairs and panel make-up. Recommendations: • all panels are constituted to a single national model, are agreed by the chief operating officer and have the appropriate training; and • NHS Commissioning Board (NHS CB) executives and non-executives to each attend a number of site visits as observers 2. Establishing the governance arrangements for NHS CB authorisation decisions Recommendations: • A detailed proposal on the establishment of a board sub-committee with full delegated authority to make authorisation decisions is made to the September NHS Commissioning Board Authority (NHS CBA) board; and • the tight timescale for October 2012 is noted. 3. Design of the moderation process for the outcomes of authorisation assessments. Recommendation: • a moderation panel is established, chaired by the National Director of Commissioning Development or Director of Authorisation, with

membership drawn primarily from the commissioning development and Operations Directorates, along with members of other NHS CB directorates, a national representative of clinical commissioners (from the Clinical Commissioning Coalition) and external expertise for process assurance.

4. Approach to applying conditions to authorisation and the corresponding design of rectification plans.
Recommendations:

- a conditions panel is established, chaired by the Chief Operating Officer or nominated deputy, with membership drawn from the commissioning development and operations directorates;
- a range of seven types of support is available for selection by the conditions panel;
- the conditions panel is to provide a report with recommended conditions and related support for each CCG where full authorisation was not recommended; and
- the rectification plan is to be agreed by the relevant regional director and the CCG.

Actions Required by Board Members:

The board is asked to:

- note progress to date and the work currently being undertaken to complete the authorisation process; and
- approve the above recommendations for each key governance issue.

CCG authorisation programme governance arrangements

Background

1. In accordance with the agreed design of the authorisation assessment process as outlined in *Clinical commissioning group authorisation: Draft guide for applicants*, approved by the NHS Commissioning Board Authority (NHS CBA) board on 13th April 2012, this report brings forward the key issues from the detailed design work remaining to complete the authorisation process. The board is asked to approve the proposed approach to these key issues.

Achievements to date

2. The table below summarises the milestones achieved since publication of *Clinical commissioning group authorisation: Draft guide for applicants*.

Composition of the four waves agreed	Agreed timetable for authorisation of 212 CCGs covering the whole country.
Wave one applications submitted	All 35 wave one applications submitted on time.
Assessors' guide published	This sets out how the applicants' guide will be applied in the assessment process.
360° stakeholder survey	Designed and tested with CCGs. Successfully completed for wave one CCGs.
CCG data profiles	Developed and distributed to all CCGs.
CCG supporting materials	Financial governance checklist and self-certification information pack produced.
External assessment resource secured	External contractors appointed.
Knowledge Management System	The underpinning IT system to support the workflow for the authorisation process has been successfully launched for wave one CCGs.

Forthcoming milestones

3. The publication of the composition of the four waves of CCG applications provided a national timetable for CCG authorisation. Key milestones are:

    - site visits to first wave of CCGs – September;
    - decisions regarding the first wave of CCG applications for authorisation – October; and
    - decisions regarding the fourth wave of CCG applications for authorisation – January 2013.

CCG authorisation programme key governance issues

4. The authorisation programme is currently on track to deliver an assessment for authorisation for each of the emerging 212 CCGs. In order to successfully complete the programme against the published timetable there remain a range of key issues where decisions need to be finalised. These key decisions are set out below:

    - appointment of panel chairs and panel make-up;
    - establishing the governance arrangements and supporting secretariat to enable the NHS CB to make 212 authorisation decisions between October 2012 and January 2013;
    - proposed design of the moderation process for the outcomes of authorisation assessments; and
    - proposed approach for applying conditions to authorisation and the corresponding design of rectification plans and their sign-off.

    The remainder of the paper sets out the proposed approach to each of these key decisions.

Panel chairs and panel make-up

5. As published in *Clinical commissioning group authorisation: Draft guide for applicants*, it was previously agreed that the site visit panel should comprise a senior representative of the NHS CB, a member of the NHS CB authorisation team, a clinical leader from a different geographical area, a lay assessor, finance and commissioning experts (these drawn from other parts of the country). Depending on the conclusion of the desk top review it was proposed there may also be local authority or public health representation. It was further proposed that the team would receive training and there would be a process of matching assessors to applicants to prevent conflicts of interest. This overall approach remains in place with detailed proposals as below.

6. Reflecting the responsibility of the Chief Operating Officer for the future assurance of CCGs, the chairs of the site visit panels should have the confidence of the Chief Operating Officer. Each of the four regional directors is identifying individuals drawn from a pool including regional directors, local area team leads, senior officers appointed to the NHS CBA and other individuals in transition who may have the experience and capacity to undertake the chair role.

7. Recognising the timing of the authorisation process in relation to the appointments process, particularly in relation to wave one applications, an early

identification of the first group of chairs is required to allow training in July for September panels.

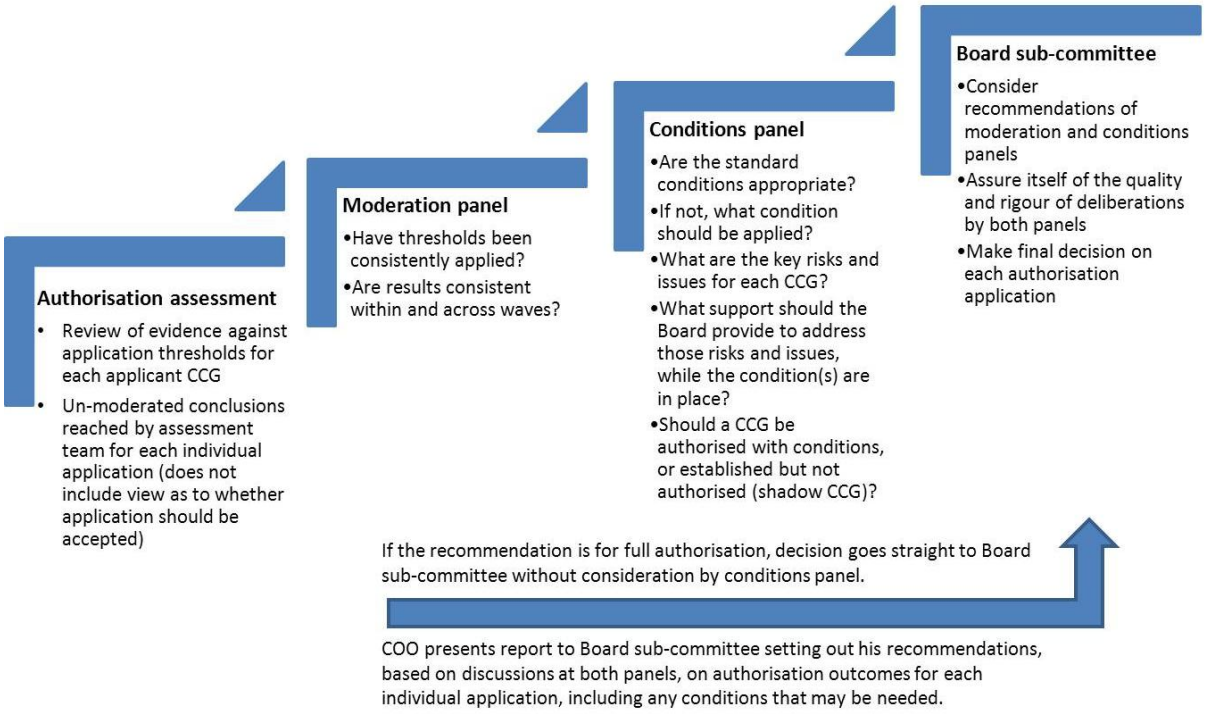
8. Recognising the value of consistency and moderating the results of authorisation it is proposed to have chairs undertaking as many panels as possible within their capacity, enhancing their effectiveness in the role.

9. It is proposed that non-executive and executive members of the NHS CB attend a number of site visits as observers.

10. Local government has confirmed its commitment to being part of site visit panels and it is expected the vast majority of CCGs would benefit from a local authority perspective on their developing collaborations through health and wellbeing boards. It is confirmed that local authority representatives will support site visits away from their local area. Individual local authorities will have expressed their views on local circumstances through the 360° survey. Reflecting the wide-ranging opportunities for collaboration via health and well being boards it is proposed that local authority representatives should be drawn from the wider pool of relevant local authority functions at director level rather than only looking to directors of social services.

11. All other panel member identification, including lay assessors, is on track. A member of the external consultancy support team with expertise in governance will also attend each CCG panel as an extra level of assurance.

Establishing the governance arrangements



12. The diagram above summarises the proposed approach to decision-making on authorisation. This should be seen in the context of the overall developmental nature of authorisation. There will have been an ongoing dialogue during assessment between CCGs and the NHS CB, with CCGs having had the opportunity to comment on the assessment made at each stage. The site visit provides an opportunity for the NHS CB to hear CCGs present their challenges and ambitions and to understand how the NHS CB can support the development of CCGs in their endeavours. Similarly, the rich understanding of the developmental status of CCGs that will be gleaned from the decision-making stages of authorisation will help inform the NHS CB's approach to CCG development and oversight. Further detail on the proposed approach to decision-making on authorisation is given in the following three sections of this paper.

13. There is a significant volume of work to achieve the authorisation of 212 organisations over a four month period. Each CCG application must be given sufficient attention for the authorisation process to be legally sufficient. In order to do this it is proposed that the board establishes a board sub-committee, with full delegated authority, to make authorisation decisions, including the application of any conditions and their remedy. A detailed proposal for the establishment of the board sub-committee will be developed with the Policy, Partnerships and Corporate Development directorate for submission to the September NHS CBA board.

14. To achieve the published timetable for authorising CCGs in October the sub-committee must begin meeting week commencing 22 October.

15. This timetable means that the board will be asked to adopt documents, including the applicants guide and related assessment process at the beginning of October. This is required before the process of moderation can begin. The Commissioning Development & Policy, Partnerships and Corporate Development directorates are working together to ensure alignment of authorisation and NHS CB establishment schedules.

16. The NHS CB must demonstrate that it has re-looked at all information related to CCG authorisation undertaken under the auspices of the NHS CBA. It cannot place a reliance on the opinion of any other body or have recommendations made to it on authorisation decisions. This is particularly the case for wave one CCGs where all the assessment activities take place before the NHS CB is established, but also impacts wave two to a lesser extent.

Design of the moderation process

17. Following the individual assessment of CCGs, moderation is crucial to ensure national consistency both within and across waves of CCGs, and prevent

threshold drift. It ensures the process has been correctly undertaken and whether the outcome, in terms of whether a given CCG has met the 119 authorisation standards, is correct. It is proposed that the moderation process will review the results of a number of tests to ensure that appropriate quality assurance is in place and consider outliers where a given CCG's result appears at odds with the national trend.

18. It is proposed that moderation is overseen by a moderation panel, chaired by the National Director of Commissioning Development. The Chief Operating Officer will retain responsibility for all individual results. Membership will be drawn primarily from the Commissioning Development and Operations Directorates, along with members of other NHS CB directorates, a national representative of clinical commissioners from the clinical commissioning coalition and external expertise for process assurance.

19. The purpose of the moderation panel is to ensure consistency. Having considered the outputs of the moderation process the Chief Operating Officer will make the final recommendation to the board sub-committee regarding the authorisation status to be granted to each CCG:

    - fully authorised – where all criteria are met; and
    - authorised with conditions – where some criteria have not been met.

    [NB: it will be for the conditions panel (see below) to determine whether not meeting certain/high volumes of criteria should result in establishment without authorisation (shadow CCG) or authorisation with conditions.]

20. In those instances where a CCG is assessed not to have met the required standard the moderation process does not include a consideration of the conditions which are to be applied or the support to be provided.

Approach to conditions and rectification plans

21. It is proposed that a separate panel is convened to consider what support is required where a CCG has not supplied sufficient evidence to meet a threshold for any authorisation criteria. The conditions panel is likely to have largely shared membership with the moderation panel, but it is suggested it is chaired by the Chief Operating Officer, recognising that it is the Operations Directorate on whom the responsibility for overseeing the discharge of conditions and providing any intensive support falls. Commissioning Development and Operations Directorates are working together to develop the detail of conditions and associated support.

22. Each unmet criteria has a condition applied to it. The wording for these conditions will be largely standardised and would not relate to the distance from meeting the criteria or the reasons why the CCG did not meet the criteria.

23. Where it is decided that a CCG with conditions needs support, until such time as it can discharge the conditions, it is proposed that the board can select from a range of support:

i. model document/toolkit;
ii. make advice/expertise available;
iii. decision sign off/approval by the board;
iv. insert/provide specific team/individual;
v. Accountable Officer (AO) not ratified/alternative AO appointed;
vi. specific functions removed; and
vii. all functions removed.

Within the generic support packages for iii-vii the specifics (for example. for iv the specific individual/team deployed) would be determined for each occasion they were used.

24. In deciding which support to provide in response to each condition, or group of conditions, the panel would consider a structured narrative report detailing key themes and risks from the overall assessment process and the SHA/NHS CBA regional report setting out more detail on the local system and operational challenges for each CCG. This allows the panel to consider themes across related conditions and decide whether support should be provided at a grouped or individual level in order to address root cause, manage risk and respond to the distance from target. The panel would also consider the expected duration of the condition when determining the level of support required - in many instances it is anticipated that a condition could be discharged before 1 April 2013 with only limited support from the board (i.e. the CCG simply needs time to act on the feedback received during authorisation).

25. The output of the conditions panel would be a report with the recommended conditions and related support for each CCG where the recommendation was not for full authorisation. This support, although subject to regular review, is provided by the board from as soon as practicable after authorisation until such time as the condition can be discharged by the CCG.

26. A rectification plan for each CCG would be agreed after the board sub-committee had made the final decision on authorisation status and the decision letter had been issued. The plan will set out the CCG's proposed response in order to achieve the authorisation threshold, allowing conditions to be discharged. The rectification plan would be agreed between the relevant regional director and the CCG. This reflects that the authorisation decision is a responsibility for the board but the actions to be taken if the criteria has not been met are a matter for the CGG to propose and NHS CB regional office to agree is reasonable and proportionate.

Recommendations

27. The board is asked to:

- note progress to date and the work currently being undertaken to complete the authorisation process; and
- approve the following recommendations for each key governance issue.

Appointment of panel chairs and panel make-up

Recommendations:
- all panels are constituted to a single national model, are agreed by the Chief Operating Officer and have the appropriate training; and
- NHS CB executives and non-executives to each attend a number of site visits as observers.

Establishing the governance arrangements for NHS CB authorisation decisions

Recommendations:
- a detailed proposal on the establishment of a board sub-committee with full delegated authority to make authorisation decisions is made to the September NHS CBA board; and
- the tight timescale for October 2012 is noted.

Design of the moderation process for the outcomes of authorisation assessments

Recommendation:
- a moderation panel is established, chaired by the National Director of Commissioning Development with membership drawn primarily from the Commissioning Development and Operations Directorates, along with members of other NHS CB directorates, a national representative of clinical commissioners from the clinical commissioning coalition and external expertise for process assurance.

Approach to applying conditions to authorisation and the corresponding design of rectification plans

Recommendations:
- a conditions panel is established, chaired by the Chief Operating Officer or deputy, with membership drawn from the Commissioning Development and Operations Directorates;
- a range of seven types of support is available for selection by the conditions panel;

- the conditions panel is to provide a report with recommended conditions and related support for each CCG where full authorisation was not recommended; and
- the rectification plan is to be agreed by the relevant regional director and the CCG.

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National Director: Commissioning Development
July 2012