

**BOARD PAPER - NHS ENGLAND**

**Title:** Authorisation and assurance committee

**Clearance:** Lord Victor Adebawale, Non-Executive Director

**Purpose of paper:**

- To provide an update on discussions and actions following the authorisation and assurance committee held in October 2013.

**Key issues and recommendations:**

The committee:

- approved the process for clinical commissioning group (CCG) rectification and assurance;
- approved the removal of conditions to authorisation and the removal/variation of directions;
- approved the request from Ealing CCG to move Federations; and
- approved the proposals for the CCG assurance process and recommended adoption of the substantive framework to the Board.

**Actions required by Board Members:**

- The Board is asked to note the outcome of discussions and next steps from the authorisation and assurance committee in October 2013.

## **Authorisation and Assurance committee**

### **Summary of committee discussions**

1. The committee terms of reference have been refreshed to encompass authorisation and assurance of clinical commissioning groups (CCGs).
2. Members approved the proposed processes for CCG rectification and assurance.
3. Having regard to the evidence submitted to the conditions panel, the committee agreed the removal of conditions from a number of CCGs, and the removal and variation of conditions to authorisation.
4. Members considered and approved the request for Ealing CCG to move Federations.
5. The committee debated and approved the proposals for the CCG assurance process, and recommended adoption of the substantive framework to the Board.

### **Actions required by Board Members**

6. The Board is asked to note the outcome of discussions and next steps from the authorisation and assurance committee in October 2013.

**Lord Victor Adebawale**  
**Non-Executive Director**  
**October 2013**

**NHS England**  
**Minutes of the Authorisation and Assurance Committee meeting**  
**held on 8 October 2013**

**Present**

- Lord Victor Adebawale – Non-Executive Director (Chair)
- Mr Ciaran Devane – Non Executive Director
- Professor Sir Bruce Keogh – National Medical Director
- Mr Naguib Kheraj – Non Executive Director

**Apologies**

- Mr Paul Baumann – Chief Financial Officer
- Ms Jane Cummings – Chief Nursing Officer
- Dame Barbara Hakin – Interim Chief Operating Officer/Deputy Chief Executive
- Ms Rosamond Roughton – Interim National Director: Commissioning Development

**In attendance**

- Mr Jon Develing - Regional Operations and Delivery Director (North)
- Dr Sarah Pinto-Duschinsky – Director of Operations and Delivery
- Ms Chris Garrett – Head of Delivery
- Mr Gerard Hanratty – Partner, Capsticks Solicitors
- Mr Dominic Hardy – Regional Operations and Delivery Director (South)
- Ms Ann Johnson – deputy for Paul Baumann
- Mr Graeme Jones – Regional Operations and Delivery Director (Midlands and East)
- Ms Julia Simon – deputy for Rosamond Roughton
- Mr Simon Weldon – Regional Operations and Delivery Director (London)
- Ms Linda White – Corporate Governance Senior Manager
- Mr Andrew Pike – Area Team Director, Essex (for item 2 only)

The Chair welcomed members to the first meeting of the newly constituted Authorisation and Assurance Committee.

Item	
1	<b>Minutes of the previous meeting</b>
	The Committee approved the minutes of the CCG Authorisation Committee held on 16 July 2013 as a correct record of the meeting.
2	<b>Presentation – an area team perspective</b>
	Mr Pike attended the meeting to take the Committee through a presentation regarding area team support to CCG development.  The Committee noted the background and context to the CCG position in Essex. Mr Pike outlined the day-day support that had been tailored to the specific needs of individual CCGs in the area. The area team had held

	<p>monthly assurance meetings with CCGs together with formal quarterly reviews.</p> <p>Mr Pike took the Committee through the detailed support provided to Basildon &amp; Brentwood CCG and Thurrock CCG.</p> <p>The Committee recognised that there had been a significant amount of ‘hands on’ operational support and questioned whether any underlying issues may re-emerge when this support was withdrawn. Mr Pike acknowledged this risk and gave assurance that work was on-going with the CCGs in relation to how they worked with CSUs and organisational development to address this risk.</p> <p><b>The Committee thanked Mr Pike for his presentation.</b></p>
3	<p><b>Approach to CCG interaction and escalation</b></p>
	<p>Dr Pinto-Duschinsky took the Committee through proposals for the approach to CCG interaction and escalation, highlighting that the processes for rectification and assurance had been designed to ensure national consistency whilst allowing flexibility for CCGs to be treated fairly and in respect of their own unique local environment. The Committee noted that a separate report would be made later in the meeting regarding the proposed substantive assurance process.</p> <p>It was noted that CCGs had been grouped into three broad headings:</p> <p>Group 1 – CCGs with no concerns;  Group 2 – CCGs with concerns but support in place; and  Group 3 – CCGs with intervention proposed (where required).</p> <p>The Committee were advised that whilst there were a small number of CCGs with directions attached to authorisation, there were currently no interventions required through the assurance process.</p> <p>The Committee were advised that, in the same way as for the previous rectification of conditions, a nationally consistent moderation process had taken place in advance the meeting to ensure that all CCGs had been treated fairly and appropriately through both the rectification and assurance processes. This moderation process had been enacted both regionally and nationally.</p> <p>Dr Pinto-Duschinsky advised the Committee that as the rectification work had continued the shape of the cohort of CCGs with directions and conditions had changed. It was noted that a small cohort of challenged organisations were of concern to both the rectification of conditions and also assurance. The Committee noted that the rectification process would be static, with CCGs having to meet the ‘bar’ in order to have conditions lifted. The assurance process would be more dynamic. It was noted that a large number of CCGs had been flagged through the balanced scorecard. The Committee noted the expectation that this would self-correct over time as more data items became available. A further paper would be presented to the Committee at its meeting in January which would reflect two rounds of assurance data.</p>

	<p>In response to questions from members, Dr Pinto-Duschinsky confirmed that the process was focussing on assurance and development, not performance management. It was noted that a CCG could meet the requirements of authorisation but have concerns around assurance.</p> <p>The Committee received assurance that Senior Managers in NHS England had been involved in developing the proposals brought before the Committee. In addition, Sir David Nicholson and Dame Barbara Hakin had met with representatives of each CCG with directions. It was agreed that the process would be described in full setting out senior management involvement.</p> <p>It was reported that the interim assurance framework had been based on the balanced scorecard, much of which was data driven. The substantive assurance framework would draw upon a broader evidence base. It was noted that this would be discussed in more detail later in the meeting.</p> <p><b>The Committee noted and approved the processes for CCG rectification and assurance</b></p>
4	<p><b>Authorisation conditions review</b></p>
	<p>Dr Pinto-Duschinsky took the Committee through the overview of the third post-authorisation conditions review process drawing attention to the process undertaken and the alignment to the planning assurance process.</p> <p>The Committee noted the high level results from the conditions panel:</p> <ul style="list-style-type: none"> <li>• 108 conditions (55%) were now considered to have been met, this leaves 88 conditions remaining to the next review;</li> <li>• 28 CCGs were considered to have fully discharged their conditions and therefore could be fully authorised, together with the existing 152 fully authorised in the June review there would now be a total of 180 fully authorised CCGs;</li> <li>• Recommendation that 31 CCGs continue with conditions remaining to the next quarterly review (ranging from one to 10 conditions, the average being 2.8); and</li> <li>• Six CCGs have only one conditions remaining.</li> </ul> <p>The Committee were advised that the main areas where it was felt conditions should be removed were Clinical focus and collaborative arrangements, Governance arrangements and Engagement. The main area where conditions remained was in regard to planning.</p> <p>It was noted that directions were in place for eight CCGs; whilst most had made progress since the last review it was noted that Croydon and Vale of York CCGs did not make a submission to remove any conditions or directions at this review.</p> <p>The Regional Directors of Operations and Delivery took the Committee through the summary for each region:</p> <p><u>London</u></p>

Mr Weldon provided the Committee with an overview of the CCGs in the London region which still had conditions or directions applied. It was noted that there were eight CCGs with remaining conditions.

Mr Weldon drew the Committee's attention to the three CCGs covered by directions:

**Waltham Forest** – It was noted that there was a common theme of governance issues running through the remaining directions. The Committee were advised that the CCG had engaged with NHS England and were making significant progress.

**Barnet** – the Committee were advised of the historical financial challenge in Barnet; it was noted that whilst the level of risk on financial delivery of QIPP in 2013/14 had been reduced, it had not yet demonstrated a plan to meet planning requirements at a future point.

The Committee were made aware of number of contracts in place with acute providers and the potential for significant reconfiguration taking place.

**Croydon** – it was noted that no directions or conditions had been removed from Croydon CCG during the September review. Mr Weldon advised the Committee that the CCG were dealing with financial issues inherited from the previous organisation and that a long term plan had not yet been established. In addition, the Committee noted the concerns relating to the acute provider and were advised that the report of the recent CQC inspection was awaited.

#### Midlands and East

Mr Jones noted that there had been a lower reduction in numbers of conditions in the Midlands and East region. The Committee were advised that this was due mainly to the financial recovery plan assurance process, which was on going during October 2013. The Committee noted that this position was likely to improve at the next review.

Mr Jones drew attention to the following CCGs:

**Hertfordshire** – it was noted that the CCG had taken action to improve capacity and that a strong interim Accountable Officer had been appointed. It was recommended that the remaining direction be revoked.

**Basildon and Brentwood** – the Committee noted the recommendation to revoke directions relating to capacity and capability and organisational development. Mr Jones reported that the CCG had appointed senior staff and succession planning for the Board was in place.

**Thurrock** – the Committee were advised that the CCG was revising its constitution and would be recruiting to key leadership positions following governing body elections. It was noted that the Area Team were providing significant support to the CCG; further support was also being provided through NHS IQ and KPMG. The Committee recognised that there may be a need for further intervention if the required improvements were not delivered by the next meeting. In light of the current position, no changes to the existing directions were proposed.

	<p><u>South</u></p> <p>Mr Hardy reported that there were 9 CCGs in the South region with outstanding conditions. It was noted that there were no CCGs with directions. The Committee were advised that the remaining conditions related to planning and were assured that each of the CCGs were engaged and clear on expectations.</p> <p><u>North</u></p> <p>Mr Develing reported that there were two CCGs in the North with directions in place; Scarborough and Rydale and the Vale of York.</p> <p><b>Scarborough and Rydale</b> – it was reported that a further review and refresh of the proposed strategic plan was taking place and that the results would be taken to the governing body in November. In preparation the area and regional teams continued to provide support in respect of a deep dive into financial plans and assumptions. It was anticipated that outstanding conditions would be revoked at the next review.</p> <p><b>Vale of York</b> – it was noted that the area and regional teams were continuing to provide support to the CCG in respect of the deep dive into financial plans and assumptions. It was reported that a dedicated finance and contracting team had been established, but that key appointments, including the Chief Financial Officer, were not be in place until November 2013.</p> <p>In response to questions regarding the process, members confirmed that the assurance process would increasingly focus on the impact to outcomes and the health of the community rather than the CCG constitution. The CCG medium and longer term plans would need to address improvements made to outcomes. Mr Hanratty advised the Committee that guidance for tackling inequalities would be issued shortly. Members requested a report to a future meeting setting out the link between the planning process and assurance.</p> <p><b>The Committee noted the report and: Approved the removal of conditions; Agreed the proposed amendments to support levels for remaining conditions; and Agreed the proposed removal and variation of directions.</b></p>
5	<b>CCG assurance summary</b>
	<p>Dr Pinto-Duschinsky presented the results of the quarter one CCG assurance process drawing the Committee’s attention to the three broad cohorts of CCGs. It was noted that CCGs had been RAG rated across the four domains of the balanced scorecard. The Committee were advised that there were no CCGs nationally which were rated as ‘green’ across the scorecard, however there were 25 CCGs which were rated as green or amber/green across all domains. It was noted that support or intervention conversations had taken place in 186 CCGs on the basis that of at least one domain.</p> <p>The Committee acknowledged that there were no CCGS rated as red across all four indicators, however there were three rated as red across three indicators 12 across two indicators and 68 on one. 128 CCGs did not have</p>

	<p>any red rated indicators.</p> <p>Ms Pinto-Duschinsky reported that domain three presented the most concern with a total of 54 CCGs rated as red and 99 rated as amber/red. It was noted that this was partly due to the domain being derived from fewer indicators than the other domains. In addition this was also reflective of underperformance in addressing healthcare acquired infections. In response to requests from members, it was agreed that examples of the thresholds for the RAG ratings would be reported to the next meeting.</p> <p>It was noted that 162 CCGs had been regarded as ‘little or no concern, 49 CCGs regarded as being of ‘some concern’ and there were currently no CCGs regarded as significant concern. It was recognised that there were a small number of CCGs which presented a challenged picture but no further intervention was proposed at this stage.</p> <p>The Committee noted the support themes arising from regional and national moderation.</p> <p>Members supported the use of the balance scorecard, but acknowledged that there were limitations and that this should not be the only measure used.</p> <p><b>The Committee noted the report and confirmed that they were assured the process had been applied consistently and fairly. The Committee approved proposals for intervention.</b></p>
6	<p><b>Ealing Clinical Commissioning Group request to move Federations</b></p>
	<p>Mr Weldon presented the recommendation of the regional formal review panel which had considered a request from Ealing CCG to alter its federated arrangements. It was noted that this had been the first request of its kind and legal advice had been taken in considering the request.</p> <p>The Committee heard that the proposal had the support of the CCG membership; 94% voted for the move on an 84% turnout and that it had been confirmed that the move could be achieved within the permitted management costs.</p> <p>Mr Weldon took the Committee through the key considerations presented to the panel.</p> <p>The Committee noted that should the request be approved and later found to have an unforeseen impact on the CCGs ability to discharge its responsibilities the CCG assurance ‘support and intervention model’, as defined in the NHS Act 2006, would be available to NHS England.</p> <p><b>The Committee approved the recommendation of the formal review panel to approve Ealing CCGs request to move federations and agreed the suggested actions to deliver appropriate oversight and on-going assurance of the move.</b></p>
7	<p><b>Progress on CCG assurance – interim proposals, development, alignment and next steps</b></p>



	<p>Ms Garret took the Committee through the process underpinning quarter one and two assurance process and the planned engagement regarding emerging proposals for the final framework.</p> <p>The Committee acknowledged the limitations of the balance scorecard as discussed earlier in the meeting. Members noted that development events had been held with significant numbers of CCGs and area teams. The engagement process had identified a series of key design principles.</p> <p>Ms Garret drew the Committee's attention to the emerging principles for the final framework. It was noted that the assurance conversations would be structured around six 'assurance domains' which had been developed through the engagement process. The balanced scorecard would be renamed to reflect its role on the process as a delivery dashboard and would become just one of the sources of intelligence that informed the assurance conversations.</p> <p>In response to questions, the Committee was assured that both the Keogh Review and Francis report had been taken into account in developing this process.</p> <p>The Committee were advised that the assurance process would take place on a quarterly basis with quarter four being an annual review.</p> <p><b>The Committee approved the proposals and recommended their adoption by the NHS England Board.</b></p>
Date of next meeting	It was noted that the next meeting would be held on 17 January 2014.