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Dear Neil

### **2015/16 CCG Annual Assessment**

Thank you for meeting with my Team on 10 May 2016 to discuss the CCG's annual assessment for 2015/16. I am grateful to you and your team for the work you did to prepare for the meeting and for the open and transparent nature of our discussions.

The enclosed document provides a brief summative assessment of the assurance meetings held over the last year in terms of the strengths, challenges and areas for improvement against the assurance components in the 2015/16 CCG Assurance Framework, which informed the CCG's 2015/16 annual headline rating.

A number of principles have been applied to the five component assessments to reach the annual headline assessments for 2015/16. It has also been agreed to describe the headline ratings in the 2016/17 language of outstanding, good, requires improvement and inadequate.

Therefore, the headline rating for North Durham CCG is good. The principles used to reach this assessment are:

- outstanding is applied where at least one component is outstanding and the others are all good.
- good is applied if:
  - all components are good; or,
  - at least four components are rated as good (or good and outstanding) and one component requires improvement, unless requires improvement is in the finance or planning components.
- the headline is requires improvement if:
  - four components are rated as good (or good and outstanding) and the finance component is assessed as requires improvement or inadequate;

- there is more than one requires improvement component rating; and
- no more than one component is assessed as inadequate.
- the headline is inadequate overall if:
  - more than one component is rated as inadequate;
  - it already has Directions (under section 14.z.21) in force.

These assessments were ratified by NHS England's Commissioning Committee when they met on 29 June. The 2015/16 annual assessment will be published on the CCG Assessment page of the NHS England website in mid-July. This year the headline assessment will be shown along with the five component assessments. At the same time the headline assessments only will be published on the MyNHS section of the NHS Choices website. I would ask that you please treat your assessments in confidence until NHS England has published the annual assessment report.

As you will be aware, NHS England has introduced a new Improvement and Assessment Framework for 2016/17. In mid-July, we expect circa 43 out of the 60 indicators in the framework to be uploaded to the myNHS website. Shortly thereafter over the summer, the baseline ratings of the clinical priority areas will be published on the myNHS website. You will be notified in advance of your CCGs rating, the methodology that has been applied, and the support offers for improvement.

Thank you again to you and your team for meeting with us and for the open and constructive dialogue. We look forward to continuing to work with you to improve the health and wellbeing of the residents of North Durham.

Yours sincerely



**Tim Rideout**  
**Director of Commissioning Operations**  
**NHS England, Cumbria and the North East**

## **Annex A – 2015/16 Summary of Assurance**

### Well Led Organisation

Under this component we have assessed the extent to which the CCG has strong and robust leadership; has robust governance arrangements; actively involves and engages patients and the public and works in partnership with others, including other CCGs. We have also looked at how the CCG secures the range of skills and capabilities it requires to deliver all of its commissioning functions, including effective use of support functions and getting the best value for money.

As part of the assessment of the CCG's compliance with its statutory duties within the well led component we have also considered the six statutory functions which NHS England has required a more detailed focus on in 2015/16 because of the complexity of the issues or the degree of risk involved. These are:

- NHS Continuing Healthcare;
- Safeguarding of Vulnerable Patients;
- Equality and health inequalities;
- Learning disability;
- Use of research;
- Special Educational Needs and Disabilities.

The assessment made for this domain is good.

### Delegated Functions

Specific additional assurances have been required from CCGs with responsibility for delegated functions in 2015/16. This is in addition to the assurances regarding out-of-hours Primary Medical Services.

The assessment made for this domain is good.

### Finance

Under this component we have reviewed the CCG's financial management capability, governance and performance throughout the year, including looking at data quality and how the CCG has used contractual enforcement or remediated any financial problems.

The assessment made for this domain is good.

### Performance

Under this component we looked at how well the CCG has delivered improved services, maintained and improved quality, and ensured better outcomes for patients, including progress in delivering key Mandate requirements and NHS Constitution standards.

The assessment made for this domain is requires improvement.

### Planning

Assurance of CCG plans is a continuous process, covering annual operational plans and related plans such as those relating to System Resilience Groups, the Better Care Fund, and longer term strategic plans including progress in implementing the Five Year Forward View. This component also considered progress in moving providers from paper-based to digital processes and the extent to which NHS number and discharge summaries are being transferred digitally across care settings to meet the ambition for a paperless NHS.

The assessment made for this domain is good.

At our annual assessment meeting we identified the following areas of strength, areas of challenge and improvement, together with the key actions required against the five components of the 2015/16 framework.

### **Key Areas of Strength / Areas of Good Practice**

We would like to acknowledge the overall progress the CCG has made to date in addressing local issues and challenges.

You outlined the good progress that the CCG has made during 2015/16 across a range of initiatives, with many positive achievements in relation to health outcomes and health improvement including the new integrated out of hospital model for diabetes 'just beat it' in conjunction with Durham Dales Easington and Sedgefield CCG; the education you have commissioned in nursing homes for the frail elderly; the health equality audit which has identified positive uptake of screening programmes, particularly the increased uptake in bowel screening; and the significant numbers of patients in forensic beds who were helped to stop smoking.

There are no significant issues with PuPoc and we note that you are working with North of England Commissioning Support Unit to delivery against trajectory for transforming care.

The CCG delivered its financial plan, meeting all business rules.

Although the objectives for HCAI were not fully met, good progress has been made. Work should continue with neighbouring CCGs and acute providers to continue to reduce Clostridium Difficile and MRSA across health and social care.

### **Key Areas of Challenge**

Non delivery of a range of NHS Constitutional standards remains of significant concern; key pressures being A&E 4 hour waits, ambulance response times, cancer standards and IAPT access. We noted the range of recovery plans in place but share your disappointment at the limited impact evidenced to date on operational delivery. Delivery of the standards will require the ongoing concerted efforts from all partners to ensure a step improvement and sustained delivery together with CCG

senior leadership input and robust performance management. The Strategic Resilience Group needs to be further developed and strengthened in order to ensure it effectively implements the agreed actions plans thereby aligning with both the STP and the urgent and emergency care network.

A key enabler in supporting the step improvement required is the successful delivery of the urgent care network programme; we agreed the importance of proactive CCG senior leadership input to supporting the embedding of the network within Cumbria and the North East.

The CCG QIPP plans for 2016/17 are challenging and the CCG has expressed limited confidence in its ability to deliver. As a result, we have asked the CCG to produce a formal recovery plan. NHS England will continue to work with the CCG on the development and implementation of the plan, including sharing of learning and good practice from elsewhere.

In relation to the planning round, we both expressed disappointment that the 2016/17 contracts were not agreed with County Durham and Darlington Foundation Trust and NEAS resulting in both being referred to arbitration once again. It is important that the CCG, working with other commissioners, actively improves working relationships with both organisations. A key measure of success for the CCG will be the ability to ensure that 2017/18 contracts with both organisations are agreed to the national timeframe without resorting to arbitration.

We discussed progress regarding the STP; and the specific developments across the footprint and within the local health economy. The effective implementation of the Better Health Programme is critical to ensuring a sustainable system going forward together with the development of a robust out of hospital model which integrates both health and social care. The CCG has an important leadership role to play both working with partners across the footprint and also in the local health economy. It is critical that the STP is agreed to timescale in order that public consultation can commence in the autumn.

The end of year target wasn't met for transforming care and there is acknowledgement that there is further work to be done to achieve the targets in 2016/17.

### **Key Areas for Improvement**

As detailed above, a key priority for 2016/17 is the need for a step improvement in the delivery of the Constitution standards, particularly with regard to waits in A&E and ambulance handover times. A key component of which will be the effective delivery of the range of initiatives as part of the urgent and emergency care network. Also associated with this, is the need to actively build positive working relationships with both the local acute provider and the local ambulance trust.

The financial pressures and need to deliver the business rules represent a significant challenge for the CCG, however it is clear from the available benchmarking data that there is considerable scope to reduce costs across a number of areas of spend. In particular, the Rightcare data sets out opportunities

across acute and prescribing spend, consistent with other previous benchmarking exercises undertaken. The CCG must also continue to pursue best value in all areas of expenditure, including CHC and MH/LD.

The transforming care targets are an area of concern and the CCG need to focus on meeting the agreed trajectory for patients with a learning disability.

### **Development Needs and Agreed Actions**

The CCG needs to prioritise the key areas for improvement referenced above in order to ensure a tight grip on operational delivery and finance.

### **Summary**

Overall we would like to acknowledge the improvements and progress you have made over the last year. Thank you again to you and your team for meeting with us and for the open and constructive dialogue.