

Our Ref; 18-256

Sent via email

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9th July 2018

Dear Toby

RE: 2017/18 CCG annual assessments

The CCG annual assessment for 2017/18 provides each CCG with a headline assessment against the indicators in the CCG improvement and assessment framework (CCG IAF). The IAF aligns key objectives and priorities as part of our aim to deliver the *Five Year Forward View*. The headline assessment has been confirmed by NHS England's Commissioning Committee.

This letter provides confirmation of the annual assessment, as well as a summary of any areas of strength and where improvement is needed from our year-end review (**Annex A**).

Detail of the methodology used to reach the overall assessment for 2017/18 can be found at **Annex B**. The categorisation of the headline rating is either Outstanding, Good, Requires Improvement or Inadequate.

The final draft headline rating for 2017/18 for West Leicestershire CCG is **Requires Improvement**. Whilst overall leadership across the CCG has remained positive, there has been a material deterioration in the CCG's financial position that must be addressed in 2018/19.

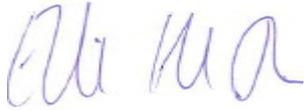
The 2017/18 annual assessments will be published on the CCG Improvement and Assessment page of the NHS England website in July. At the same time they will be published on the MyNHS section of the NHS Choices website. The dashboard with the data will be issued with year-end ratings in July.

Thank you for your CCG's contribution to delivering the *Five Year Forward View*, and your focus on making improvements for local people. I look forward to working with you and your colleagues during 2017/18, including following up on the annual assessment.

OFFICIAL

I would ask that you please treat your headline rating in confidence until NHS England has published the annual assessment report on its website. This rating remains draft until formal release. Please let me know if there is anything in this letter that you would like to follow up on.

Yours sincerely



Elliot Howard-Jones
Director of Commissioning Operations
Midlands and East (Central Midlands)
NHS England

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Annex A – 2017/18 summary

Key Areas of Strength / Areas of Good Practice

Alongside leading the Urgent and Emergency Care programme, you have provided leadership to support the further development of the LLR STP

Key Areas of Challenge

A number of areas have remained a concern in 17/18 having being flagged in 16/17.

As discussed through regional escalation meetings, led by NHSI, and our quarterly assurance meetings, delivery against emergency care standards has been poor particularly during the winter period. Performance needs to be significantly improved and sustained during the summer of 2018/19 in order to prepare for next Winter.

Cancer performance has not improved despite additional transformational funds being allocated. It is recognised that leadership of this contract lies with a neighbouring CCG; however, accountability remains and cross CCG support is required to drive forward improvement.

IAPT performance has remained significantly below the expected standard particularly in respect of access. Again leadership of this contract lies with a neighbouring CCG; however, we would expect all CCGs to have oversight of issues and improvement plans.

RTT performance has deteriorated over 17/18 and a robust plan needs to be developed to ensure that there is effective demand management and sufficient elective capacity available to meet the needs of your patients.

Key Areas for Improvement

The deterioration in your financial position is a major concern. Despite the introduction of a financial recovery plan you were unable to achieve your CCG control total communicated to you before the start of 2017/18 reporting a deficit of £1.6m (after the release of the 0.5% national risk reserve and the return of Cat-M savings on prescribing). A major contributory factor to your financial performance in 2017/18 was unmitigated gaps in your QIPP plan.

As you face another challenging year in terms of financial delivery it is crucial that you have a robust Financial and QIPP Plan that is diligently constructed and deliverable. Through our various assurance techniques we will continue to pay very close attention to your financial performance. This will be appropriate to the level of financial risk existent in your plans.

Urgent and emergency care performance needs to be significantly improved and sustained during the summer of 2018/19 in order to prepare for next Winter.

The commissioning system needs to ensure clear alignment and delivery of demand and capacity plans for elective and non-elective care in order to ensure that access to services is ensured in a timely and appropriate manner for all patients.

Continuing Healthcare performance has been variable and this needs to be a focus

for the coming year to ensure delivery of the national CHC strategic improvement programme ambitions.

Development Needs and Agreed Actions

The deterioration in rating this year has been driven mainly by financial performance.

Recognising that your 2018/19 QIPP programme continues to have a focus on transformational schemes with increased inter-dependence across the STP footprint, you need to address the associated capacity and capability risks and ensure effective oversight of delivery both at system and organisational level.

Whilst a Collaborative Commissioning Board has been established as a committee in common, the 3 CCGs need to work together to agree robust joint working arrangements moving forward.

Summary

Overall, we would like to recognise the work this year particularly in relation to contributing to the development of the LLR STP and the work undertaken to develop a collaborative commissioning arrangements for LLR.

There are, however, significant challenges facing the system in order to deliver and sustain performance during 2017/18.

Annex B – overall assessment methodology

NHS England’s annual performance assessment of CCGs 2017/18

1. The CCG IAF comprises 51 indicators selected to track and assess variation across policy areas covering performance, delivery, outcomes, finance and leadership. This year, assessments have been derived using an algorithmic approach informed by statistical best practice; NHS England’s executives have applied operational judgement to determine the thresholds that place CCGs into one of four performance categories overall.

Step 1: indicator selection

2. A number of the indicators were included in the 2017/18 IAF on the basis that they were of high policy importance, but with a recognition that further development of data flows and indicator methodologies may be required during the year. However, by the end of the year, there was just one indicator that was excluded as there is no data available for the measure: mental health crisis.

Step 2: indicator banding

3. For each of the 207 CCGs, the remaining indicator values are calculated. For each indicator, the distance from a set point is calculated. This set point is either a national standard, where one exists for the indicator (for example in the NHS Constitution); or, where there is no standard, typically the CCG’s value is compared to the national average value.
4. Indicator values are converted to standardised scores (‘z-scores’), which allows us to assess each CCG’s deviation from expected values on a common basis. CCGs with outlying values (good and bad) can then be identified in a consistent way. This method is widely accepted as best practice in the derivation of assessment ratings, and is adopted elsewhere in NHS England and by the CQC, among others.¹
5. Each indicator value for each CCG is assigned to a band, typically three bands of 0 (worst), 2 (best) or 1 (in between).²

Step 3: weighting

6. Application of weightings allows the relatively greater importance of certain components (i.e. indicators) of the IAF to be recognised and for them to be given greater prominence in the rating calculation.
7. Weightings have been determined by NHS England, in consultation with operational and finance leads from across the organisation, and signal the significance we place on good leadership and financial management to the commissioner system:
 - Performance and outcomes measures: 50%;
 - Quality of leadership: 25%; and,

¹ Spiegelhalter et al. (2012) *Statistical Methods for healthcare regulation: rating, screening and surveillance*

² For a small number of indicators, more than 3 score levels are available, for example, the leadership indicator has four bands of assessment.

- Finance management: 25%
8. These weightings are applied to the individual indicator bandings for each CCG to derive an overall weighted average score (out of 2).

Figure 1: Worked example

Anytown CCG has:

- Quality of leadership rating of “Green” (equivalent to a banded score of 1.33)
- Finance management rating of “Green” (equivalent to banded score of 2)
- For the remaining 48 indicators, the total score is 49.5.
- These scores are divided through by their denominator and weighted to produce an overall domain weighted score:

$$\left(\frac{1.33}{1}\right) \times 25\% + \left(\frac{2}{1}\right) \times 25\% + \left(\frac{49.5}{48}\right) \times 50\% = 1.35$$

Step 4: setting of rating thresholds

9. Each CCG’s weighted score out of 2 is plotted in ascending order to show the relative distribution across CCGs. Scoring thresholds can then be set in order to assign CCGs to one of the four overall assessment categories.
10. If a CCG is performing relatively well overall, their weighted score would be expected to be greater than 1. If every indicator value for every CCG were within a mid-range of values, not significantly different from its set reference point, each indicator for that CCG would be scored as 1, resulting in an average (mean) weighted score of 1. This therefore represents an intuitive point around which to draw the line between ‘good’ and ‘requires improvement’.
11. In examining the 2017/18 scoring distribution, there was a natural break at 1.45, and a perceptible change in the slope of the scores above this point. This therefore had face validity as a threshold and was selected as the break point between ‘good’ and ‘outstanding’.
12. NHS England’s executives have then applied operational judgement to determine the thresholds that place CCGs into the ‘inadequate’. A CCG is rated as ‘inadequate’ if it has been rated red in both quality of leadership and financial management.

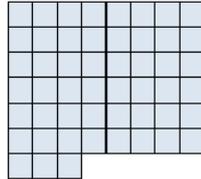
13. This model is also shown visually below:

Deriving the CCG IAF assessment ratings

Step 1:

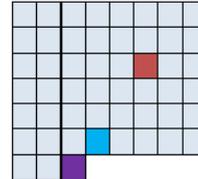
Indicators selected and calculated

There are 51 indicators in the 2017/18 CCG IAF...



...of which, 50 are included in the end of year rating

(1 indicator, **Mental health crisis team provision**, is excluded because data are not yet available)

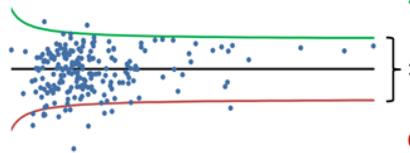


Values are derived for each CCG for each indicator. There is 1 indicator in the **Finance** domain and 1 for **Quality of Leadership**.

Step 2:

Indicators banded

Measure of deviation ("z-score") calculated for each CCG value. Outlying CCGs assigned to bands with scores of 0 (worst) to 2 (best).



2
1
0

The process is repeated for all 50 available indicators (example scores shown for **Anytown CCG**).

1	1	1	1	0	1	0	2
1	1	2	1	1	1	0	1
1	1	1	2	1	1	1	1
1	1	1	2	1	2	1	1
0	1	1	1	1	2	1	1
1	1	1	2	0	2	0	1
2	0	1					

Step 3:

Weights applied, average score calculated

Weightings set to:

- Finance: 25%
- Leadership: 25%
- The rest: 50%

Bandings for each domain are summed and divided by the count of indicators in that domain, then multiplied by the relevant weighting.

Worked example for Anytown CCG

Overall score calculated for CCG as sum of:

- [Finance] 25% * (2 / 1 indicator)
- + [Leadership] 25% * (1.333 / 1 indicator)
- + [The rest] 50% * (49.5 / 48 indicators)

= score of 1.35
(out of a possible 2)

Step 4:

Scores plotted and rating thresholds set

The distribution of average scores (out of 2) is plotted for all 207 CCGs. The threshold between "Requires Improvement" and "Good" is then set at the mid-point of 1; for "Outstanding" it is set at a natural break at the upper end of the distribution and for "Inadequate" an auto-rule is applied to include all CCGs whose Finance and Leadership ratings are both Red. In the example shown, there is a step change at 1.45 which forms the lower threshold for "Outstanding".

