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Sent via email
Toby Sanders
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Dear Toby

2016/17 CCG annual assessments

The CCG annual assessment for 2016/17 provides each CCG with a headline assessment against the indicators in the CCG improvement and assessment framework (CCG IAF). The CCG 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 2016/17 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 2016/17 for West Leicestershire CCG is **Outstanding.**

Overall, the results for the NHS in England in 2016/17 represent an improvement from 2015/16, which is a significant achievement for commissioners and is representative of - much hard work during what has been a difficult year.

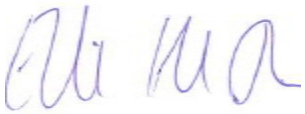
The 2016/17 annual assessments will be published on the CCG Improvement and Assessment page of the NHS England website on 19 July 2017. At the same time they will be published on the MyNHS section of the NHS Choices website. The dashboard with the data has already been made available through NHS England regional teams, and will be reissued with year-end ratings on 19 July 2017. CCGs will also receive confirmation of their assessment in three clinical priority areas

(cancer, mental health and dementia), at the same time. Assessments for diabetes, learning disabilities and maternity are expected to follow later in the year.

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.

I would ask that you please treat your headline rating **in confidence** until NHS England has published the annual assessment report on its website on 19 July. 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
NHS England, Midlands and East

Annex A – 2016/17 summary

Key Areas of Strength / Areas of Good Practice
We congratulate you on achieving all financial targets within 2016/17.

We recognise that the CCG consistently demonstrates robust governance in respect of all areas of CCG business and responsibilities, including delegated direct commissioning functions. In addition to driving the urgent and emergency care agenda, this leadership has been extended to support the development of the Leicester, Leicestershire and Rutland STP with positive engagement across all health and social care partners within the system.

From a quality perspective, we recognise robust mechanisms to review, report and assure quality, including evidence of proactive approaches to investigate concerns, formal risk and intelligence sharing and triangulation of data are in place.

We also recognise positive engagement with your membership, enabling further development of your federations of practices, and strong evidence of public engagement, including in relation to STP plans.

We congratulate you for the ongoing evidence of reduction in demand for urgent care, the success of the urgent care Vanguard, now being translated into the business as usual delivery model across LLR, and the improvement in operational performance with the ambulance services. Delayed discharge levels remain low.

We recognise the progress in the introduction of PRISM and e-referral processes to facilitate decision making and timely access to care. There has also been strong performance in relation to dementia diagnosis rates.

Key Areas of Challenge
As discussed through regional escalation meetings, led by NHSI, and our quarterly assurance meetings, delivery against emergency care standards has been poor with performance, particularly within UHL, needing to be significantly improved and sustained during 2017/18.

RTT performance in respect of the RTT standard has not been maintained during 2016/17, impacted by internal trust critical incidents associated with urgent and emergency care. A significant residual backlog also needs to be addressed to ensure that patients are receiving care in a timely fashion.

Cancer performance is not improving, with continued concerted action required to address this, recognising leadership of this contract lies with a neighbouring CCG.

IAPT access and recovery performance standards are below where they need to be in order to ensure timely access to pathways of care, indicating an area for continued focus in 2017/18.

We recognise the completion of the LPAF procurement and associated change of CSU. Whilst this provides an opportunity for enhanced support, there are clear

challenges in ensuring an effective transition from the existing CSU, including the need to ensure robust business intelligence and reporting to inform commissioning decisions.

There have been delays in completing and resolving the STP activity and capacity plan, aligned to an updated financial strategy, although challenges with translating the BCT programme into the STP are recognised.

Key Areas for Improvement
Urgent and emergency care performance improvements need to be secured through 2017/18 with the CCG particularly supporting progress within UHL in terms of management of the ED and flow.

Cancer performance also needs to be improved and sustained, with progress ensured for key pathways assured through concerted implementation and assurance of the recovery plans.

IAPT performance needs similar continued focus and assurance through implementation of the recovery plan.

GP referrals during 2016/17 have been significantly above plan and there is a risk in this respect for 17/18, which will need to be monitored closely.

Development Needs and Agreed Actions
The CCG needs to ensure ongoing positive financial and quality performance during a time of significantly constrained resources. Recognising that your 2017/18 programme moves to a greater focus on transformational schemes with increased inter-dependence across the STP footprint, you will need to address the associated capacity and capability risks and ensure effective oversight of delivery both at system and organisational level.

Although the STP has a strong foundation with dispersed leadership for workstreams and collaborative governance structures, agreement needs to be reached on the re-establishment and resourcing of a robust PMO with confirmation of partners' commitment to the STP balanced against operational commitments. Recognising delays and uncertainty around the capital prioritisation process, system agreement needs to be secured on the approach to assurance and consultation on plans for reconfiguration.

Summary
Overall, we would like to congratulate you on your achievements over the past year, particularly in relation to collaborative working relationships within the CCG membership and across the system. There are, however, significant challenges facing the system in order to deliver and sustain performance during 2017/18.

Annex B – Assessment Methodology
NHS England's annual performance assessment of CCGs 2016/17

1. The CCG IAF comprises 60 indicators selected to track and assess variation across 29 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 CGCs into one of four performance categories overall.

Step 1: indicator selection

2. A number of the indicators were included in the 2016/17 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 were data limitations for four of the indicators, so these have been excluded. These four indicators are set out below:

Indicator	Rationale for exclusion
Percentage of deaths which take place in hospital	End of life choice indicator – placeholder only for 2016/17, new indicators introduced for 2017/18
Ambulance waits	Data not available for pilot sites
Outcomes in areas with identified scope for improvement	Data available for 65 wave 1 CCGs only
Expenditure in areas with identified scope for improvement	Data available for 65 wave 1 CCGs only

Step 2: indicator banding

3. For each of the 209 CCGs, the remaining 56 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]

[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.

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,
    - Finance management: 25% (the assessment of financial plan is zero weighted to ensure focus on financial outturn)

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 "red" (equivalent to a banded score of 0)
- Finance management rating of "amber" (equivalent to banded score of 1)
- Finance plan is zero weighted.
- For the remaining 53 indicators, 9 are banded as 0 (outlying, worst), 12 are banded as 2 (outlying, best) and 32 are banded as 1 (in between).
- The total of the banded scores for these indicators is therefore (9x0) + (12x2) + (32x1) = 56
- The weighted average score is calculated as:
  [25% x 0] + [25% x 1] + [50% x (56/53)] = 0.78

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 2016/17 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: