NHS

Melanie Craig
Chief Officer
NHS West Norfolk CCG
King's Court
Chapel Street
King's Lynn
PE30 1EL

East of England

West Wing
Victoria House
Fulbourn
Cambridge
CB21 5XA

9th July 2019

Dear Melanie

2018/19 CCG annual assessments

The CCG annual assessment for 2018/19 provides each CCG with a headline assessment against the indicators in the CCG Improvement and Assessment Framework (CCG IAF). The headline assessments have been confirmed by NHS England's Statutory Committee.

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

Detail of the methodology used to reach the overall assessment for 2018/19 can be found at **Annex B**. The categorisation of the headline rating is either Outstanding, Good, Requires Improvement or Inadequate.

The 2018/19 headline rating for West Norfolk CCG is Requires Improvement.

You have made considerable progress in addressing your governance and leadership requirements and financial management concerns and your CCG has improved from the rating of inadequate at the 2017/18-year end annual assessment. Therefore, I am pleased to confirm the CCG is being removed from special measures to acknowledge this improvement.

NHS England and NHS Improvement

The 2018/19 annual assessments will be published on the Commissioning Regulation pages 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 Q4 IAF dashboard will be issued with year-end ratings in July.

2019/20 will be a transitional year for commissioner and provider oversight arrangements, although the CCG annual assessment process remains a familiar one. I look forward to working with you and continuing to support your CCG in improving healthcare for your local population and system.

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

Adrian Marr
Director of Operational Finance
NHS England and Improvement, East of England

Annex A – 2018/19 Summary

Key Areas of Strength / Areas of Good Practice

We recognise that the CCG has made a number of achievements in the year including:

- The CCG has been very open and transparent throughout the year and good relationships have been fostered with the regulator.
- There has been evidence of improved governance and consistency in staff messaging.
- The development of the Local Delivery Group is welcomed.
- There has been successful management of finances and QIPP delivery.
- Even in difficult circumstances, the CCG has continued to support the QEH.
- The setting up and expanding use of the Crisis Café.
- The use of the Independent Sector and Demand Management to support reduction of the Referral to Treatment (RTT) waiting lists.
- Whole system approach and working together to reduce Delayed Transfers of Care (DTOC).
- Particular note was also given to the work that went into increasing Nurse Practitioner Clinics at the Purfleet Trust. Providing a service to homeless people, reducing the number of admissions to QEH.

Key Areas of Challenge

We recognise that the CCG experienced challenges throughout the year, which we expect to be a key focus in 2019/20. These included:

- Managing the relationships and performance with two main providers, QEH and NSFT, following CQC Special Measures ratings.
- Wider roll out of the diabetes programme across the STP.
- Lack of suitable workforce and the ability to recruit into the system.
- The development of PCN to drive change.
- Expanding the Capacity Alert system.
- Continue to improve financial management in 2019/20.
- Using WSOA across the wider system.

Key Areas for Improvement

Recognising the challenges that the CCG faces, there are some issues that we would like to ensure that we follow-up with you throughout 2019/20:

- Achievement of the constitutional standards, especially in the areas of Cancer, A&E, RTT and Dementia.
- Improvement in the processes dealing with patients with Mental Health in A&E.
- Maintaining CCG progress through a period of change.
- The interface and balance between Trust/CCG/STP.
- Improving provider performance and quality.

- Closer working and improvement in maternity services.
- Continued growth and development of relationship with the wider STP.

Development Needs and Agreed Actions

To support the on-going progress of your CCG we agreed the following areas of development and focus for 2019/20:

- Support Queen Elizabeth Hospital Foundation Trust (QEH) to reduce long lengths of stay by effecting timely and appropriate discharge.
- The need to hold conversations with system partners to ensure commissioning gaps are addressed.
- Development of the Urgent Treatment Centre in Kings Lynn.
- Seize the opportunity to improve relationships with QEH following the recent appointment of the new leadership team.

Summary

Overall, we would like to congratulate you on the progress you have made over the last year, particularly in relation to the strong CCG leadership, which has resulted in a stable financial position, improved DTOC rates and RTT recovery and sustained performance in a number of other areas.

We would also like to note the willingness of your team to share best practice with other colleagues in the East of England.

The clear Organisation Development strategy you have in place, with a heavy focus on staff development and succession planning should also be commended.

Annex B – Overall assessment methodology
NHS England's annual performance assessment of CCGs 2018/19

1. The CCG IAF comprises 58 indicators selected to track and assess variation across policy areas covering performance, delivery, outcomes, finance and leadership. 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 overall performance categories.

Step 1: indicator selection

2. A number of the indicators were included in the 2018/19 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. By the end of the year, there were three indicators that were excluded as there was no data available for the measures: Percentage of deaths with three or more emergency admissions in last three months of life, Cardiometabolic assessment in mental health environments and Children and young people's mental health services transformation.

Step 2: indicator banding

3. For each CCG, 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:

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[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.

- Performance and outcomes measures: 50%;
- Quality of leadership: 25%; and,
- 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 53 indicators, the total score is 49.5.
- These scores are divided through by their denominator and weighted to produce an overall domain weighted score:

$$\left(\frac{1.33}{1}\right) \times 25\% \quad + \quad \left(\frac{2}{1}\right) \times 25\% \quad + \quad \left(\frac{49.5}{53}\right) \times 50\% \quad = \quad \mathbf{1.3}$$


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 2018/19 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.

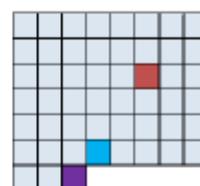13. This model is also shown visually below:

Deriving the CCG IAF assessment ratings

Step 1: Indicators selected and calculated

The CCG IAF publishes data for a number of indicators...
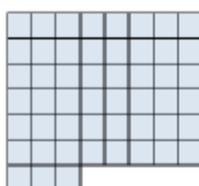
...which are then used to produce the end of year rating.

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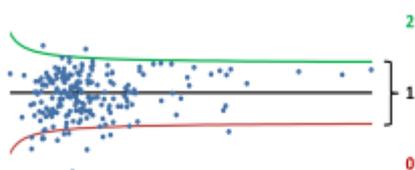
The process is repeated for all available indicators (example scores shown for **Anytown CCG**).

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	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   / 53 indicators)

= score of 1.3
(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 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".

In the worked example for **Anytown CCG**, 1.3 equates to "Good".