



Department
of Health

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Annual Assessment of the NHS Commissioning Board
(known as NHS England) 2013-14

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Presented to Parliament pursuant to section 13U(6) of the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012)



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Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office
ID 2902575 07/14 42164 19585

Printed on paper containing 75% recycled fibre content minimum

National Health Service Act 2006 (as amended) – section 13U requirements in relation to the Annual Report of the NHS Commissioning Board (known as NHS England) for the financial year 2013/2014

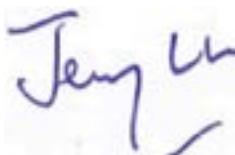
This Act Paper sets out my first annual assessment of the National Health Service Commissioning Board's performance, pursuant to section 13U(4) of the above Act, covering the 2013-14 financial year.

I have considered the Board's Annual Report and Accounts for 2013-14 which have been laid before Parliament today (22 July 2014). In accordance with section 13U(4), I have written to Professor Sir Malcolm Grant, the Chair of NHS England (the operating name adopted by the Board) with my assessment of the Board's performance of its functions for the 2013-14 financial year. A copy of this letter is enclosed with this Act Paper.

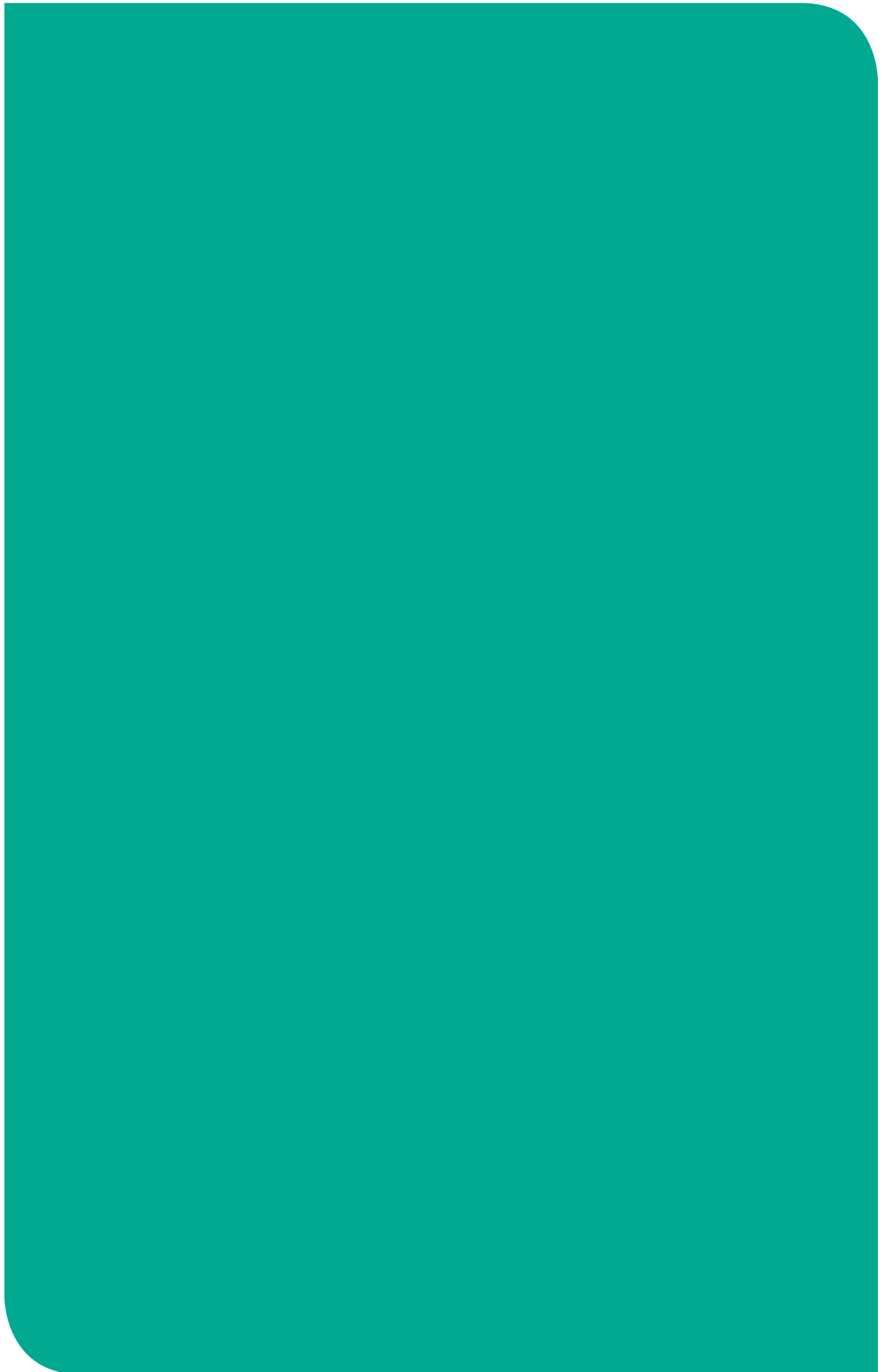
My letter to Professor Sir Malcolm refers to the Board by its operating name, NHS England. The letter includes my assessment of the following matters specifically set out in section 13U(2)(a) to (c), as required in section 13U(5):

- (a) the extent to which the Board met any objectives or requirements specified in the mandate for the above year;
- (b) the extent to which the Board gave effect to the proposals for that year in its business plan; and
- (c) how effectively it discharged its duties under sections 13E (duty as to improvement in quality of services), 13G (duty as to reducing inequalities) and 13Q (public involvement and consultation by the Board).

As is required under section 13U(6), I will be laying a copy of this letter before Parliament later today and will be publishing it on the GOV.UK website afterwards.



Rt Hon Jeremy Hunt MP
Secretary of State for Health





Department
of Health

From the Rt Hon Jeremy Hunt MP
Secretary of State for Health
Richmond House
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22 July 2014

Professor Sir Malcolm Grant
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Dear Professor Sir Malcolm

Annual assessment of NHS England's performance in 2013-14

I am writing to you to set out my annual assessment of NHS England's performance during 2013-14, as required by the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012).

The assessment covers the first full year of NHS England's existence since 1 April 2013. I have based it on: evidence from NHS England's own detailed Annual Report and Accounts and governance statement for 2013-14; available data; '360' feedback from your stakeholders; and the discussions that I and my Departmental team have held with your teams throughout the year. My assessment sets out which section of the NHS Act 2006 (as amended) that it refers to and the relevant chapter of The Mandate from the Government to NHS England for April 2013 to March 2015.

NHS England has faced a high level of challenge in 2013-14. Your organisation has overseen a complex transition process involving many different functions and multiple geographies. This has culminated in the creation of 211 Clinical Commissioning Groups (CCGs); Commissioning Support Units (CSUs); regional and local areas teams; and new arrangements for directly commissioning primary care and specialist care, delivered from a smaller expenditure base and with fewer staff. (*Mandate Chapter Six: Freeing the NHS to Innovate*).

NHS England established this infrastructure whilst also seeking to deliver the Mandate for 2013-15; and improving the quality of services for patients and the public through commissioning. NHS England fulfilled all of its financial duties and objectives for 2013-14, and did so in a challenging context of moving to a single reporting system which included all CCGs and CSUs.

In this context, my overall assessment is that there was a mixed picture of performance from NHS England in 2013-14.

I am required by section 13U(5) of the National Health Service Act (as amended) to assess in particular the extent to which NHS England has met its Mandate and business plan objectives, and fulfilled its duties to improve the quality of services, reduce inequalities and secure public involvement (sections 13U(2) (a) to (c)). Where appropriate, my assessment indicates where relevant objectives are set out in the Mandate.

I will first highlight following areas where – in my assessment of the matters set out in section 13U(5) and 2(a) to (c) (in relation to 13E duties) – there has been notable progress:

- **NHS England has shown a strong commitment to addressing the significant issues raised by Sir Robert Francis’s report into Mid-Staffordshire NHS Foundation Trust.** This can be seen both in the values of the organisation and its actions. NHS England’s work on compassionate care (particularly promoting the ‘6 Cs’ with nursing, midwifery and care staff), and on patient experience, have contributed to the spread of the ‘Francis effect’ throughout the NHS. NHS England’s leadership on patient safety, its championing of commissioning for outcomes, and willingness to work with other organisations across the NHS to improve the quality and safety of care have been critical in supporting the NHS to apply the lessons of the Francis Inquiry. (*Mandate Chapter Four: Ensuring That People Have a Positive Experience of Care; Chapter Five: Treating and Caring for People in a Safe Environment and Protecting them from Avoidable Harm*).
- **NHS England is living its core value of transparency, both as an organisation and as a system leader.** For example, NHS England has demonstrated transparency through live streaming of board meetings and online presence; and accountability to Parliament with 18 select committee appearances, and accountability to the Government with 16 accountability meetings with the Department of Health. During 2013-14, more clinical data has been published, including surgeon-level outcome data, ‘never events’, and about GPs. More patient safety data is now available at trust, hospital and ward level, including more NHS ‘safety thermometers’. I believe transparency is key to improving safety, quality and outcomes and am pleased that NHS England is making progress in this area. (*Mandate Objective Six: Freeing the NHS to Innovate; and Mandate Chapter Five: Treating and Caring for People in a Safe Environment and Protecting them from Avoidable Harm*).
- **NHS England reached agreement with the BMA on a package of changes to the GP contract, to enable GPs to provide more personalised care for the over 75s and the most vulnerable patients.** Other key changes included removing over a third of Quality and Outcomes Framework (QOF) points, promoting online access of records and booking, greater patient choice, and fairer pay. Since the Prime Minister announced a £50m Challenge Fund to support improved and more innovative access to GP surgeries, NHS England has established a programme which is supporting pilot sites covering 1,100 practices and 7.5 million people. (*Mandate Chapter One: Preventing People from Dying Prematurely; and Mandate Chapter Two: Enhancing Quality of Life for People with Long Term Conditions*).

- **NHS England published its Phase One report of its Urgent and Emergency Care Review.** This set out the case for change, the evidence base and the high level vision for how urgent and emergency care services should operate. NHS England has made a strong start to the second phase by ensuring there is stakeholder and expert engagement in the different work areas. (*Mandate Chapter One: Preventing People from Dying Prematurely*).
- **NHS England established the Seven Days a Week Forum to produce recommendations on establishing seven day services.** NHS England accepted all of the Forum’s recommendations in December 2013. They include the delivery of ten clinical standards by the NHS, describing the quality of care that patients should expect to receive on every day of the week. NHS England has committed to drive full implementation of the clinical standards within the next three years, through the use of a range of incentives, rewards and sanctions. (*Mandate Chapter Four: Ensuring that People have a Positive Experience of Care*).
- **NHS 111 is now available across the whole of England, taking 1 million calls a month.** This is a significant achievement by commissioners and providers, led by NHS England. I am also encouraged that NHS England has demonstrated transparency and willingness to learn and improve through the independent review it commissioned, and the changes that NHS England has since made to the management and oversight of major programmes such as this. (*Mandate Chapter Two: Enhancing Quality of Life for People with Long Term Conditions*).

My specific assessment of matters set out in section 13U(2)(c), relating to the duties under section 13G (health inequalities) and 13Q (patient involvement and consultation), is as follows:

- **My assessment of how well NHS England has fulfilled its duty to have regard to the need to reduce health inequalities between patients (with respect to access to – and outcomes from – health services), is that good progress has been made in 2013-14.** I have noted the detailed assessment set out in NHS England’s Annual Report about how NHS England has fulfilled its duties in reducing inequalities against the criteria set for 2013-14. This is a complex challenge, and I look forward to further progress being made during 2014-15. In particular, further progress is needed around robust assurance, assessment and reporting of CCG action to tackle inequalities in access and outcomes. Across the system in 2014-15, we now need to build on this early progress, broadening our knowledge and understanding, and supporting effective action across all communities.
- **In relation to public and patient involvement and consultation, my assessment is that NHS England has made good progress.** I have noted and agree with the detailed assessment that you have set out in your Annual Report about the extent to which NHS England has fulfilled its duties here. During 2014-15, I know that you will continue to focus on embedding this in NHS England and across the commissioning system with a view to improving patient experience and outcomes.

However, I must also highlight other areas where my assessment of the matters set out in section 13U(5) and (2)(a) and (c) (relating to the duty set out in section 13E) is that progress has been significantly less than planned and/or where there are particular challenges ahead:

- **NHS England needs to continue its work to ensure that robust and effective financial management systems and controls are in place.** It must also ensure that spending controls are effective, particularly around specialised commissioning. This will be essential to meet the continuing challenges around efficiency improvement, delivering a balanced financial plan for 2015-16. (*Mandate Chapter Eight: Finances*)
- **Maintaining the access standards set out in the NHS Constitution is an important contributor to people’s experience of the NHS.** Performance against these standards was strong for most of the period 2013-14, and the system coped well over the winter months, in spite of increased emergency admissions. However, pressures began to show in the system in Quarter 4 2013-14. There remains more to be done to reduce variation and maintain performance. To tackle the rise in demand for planned services, and to ensure urgent and emergency care services are sustainable all year round and ready for winter pressures, additional resources have been made available. (*Mandate Chapter Four: Ensuring that People have a Positive Experience of Care*).
- **More needs to be done to ensure those with learning disabilities and autism receive safe, appropriate, high quality care.** Further work is also needed to ensure that, wherever possible, services are locally provided to enable people to stay in their communities. This includes ensuring full delivery of the Winterbourne View Concordat objectives and Transforming Care deliverables. (*Mandate Chapter Four: Ensuring that People have a Positive Experience of Care*).
- **Making a step change in improving the care for those with mental ill-health is a key priority for me and for the Department of Health.** Delivering parity of esteem between mental and physical ill-health requires a cultural, organisational and financial shift, and sustained focus by NHS England and CCGs in order to make it happen. While there are encouraging signs that this is beginning to occur – for example, NHS England is putting in place arrangements for choice to be offered in mental health services in 2014-15 – much more needs to be done if parity of esteem is to become a reality. (*Mandate Chapter Two: Enhancing Quality of Life for People with Long Term Conditions; and Mandate Chapter Three: Helping People to Recover from Episodes of Ill Health or Following Injury*).
- **Action to improve maternity services and services for children and young people (including those with special educational needs or disabilities) got off to a slower than expected start in 2013-14.** NHS England will need to do more in 2014-15 to work through Strategic Clinical Networks to improve maternity and post-natal services, and lead and support CCGs to develop joint care plans for children and young people. (*Mandate Chapter Four: Ensuring that People have a Positive Experience of Care*).

- **The lack of progress in 2013-14 in delivering a campaign to promote the NHS Constitution to staff and patients, and in developing the cross-system strategy to embed the NHS Constitution in everything the NHS does, has also been of concern.** The NHS England business plan is clear about what NHS England will deliver in these areas in 2014-15 and it will be important for NHS England to ensure there is momentum around the delivery of the behaviour change campaigns and the cross-system strategy. *(Mandate Chapter Four: Ensuring that People have a Positive Experience of Care).*
- **NHS England needs to continue to work with others in the system to play a full part in driving forward a culture of safety and quality improvement.** This needs to build on the initial work to address the Francis Report, and ensure that all the care that NHS England commissions or oversees is as safe, effective and compassionate as possible. In 2014-15, I also expect NHS England to continue to make further progress on publishing patient safety data and implementing its improvement initiatives for safety. *(Mandate Chapter Four: Ensuring that People have a Positive Experience of Care).*
- **Data is key to understanding how to improve care for patients.** I know that reassuring the public and addressing concerns about ‘care.data’ is ongoing, and I hope a position can be reached whereby progress can be made on bringing together data from all parts of the patient journey. *(Mandate Chapter Three: Helping People to Recover from Episodes of Ill Health).*
- **There is more work to be done in terms of consolidating use of research evidence and a research culture within NHS England.** Development of a commissioning system which promotes and supports participation in research will bring benefits not only for patients, but also for the country, by driving and encouraging investment from our life sciences industry. *(Mandate Chapter Seven: Broader Role of the NHS in Society).*
- **Similarly, there is a need to develop the scope for the NHS to become more receptive to innovation, and to support growth more broadly.** This includes life sciences, and particularly genomics. *(Mandate Chapter Seven: Broader Role of the NHS in Society).*

One year on, I agree with the assessment set out in NHS England’s Annual Report and Accounts for 2013-14, that more progress needs to be made against a number of Mandate objectives and in order to deliver improved outcomes and reduced inequalities for patients and the public. I am pleased to see that your business plan for 2014-15 reflects this and sets out clear plans to make progress against all the Mandate objectives. My Ministerial team, officials and I will continue to regularly discuss progress with you and your teams throughout the year, developing a collective understanding of risks and issues, and particularly financial risk.

NHS England is now seeking to consolidate and re-focus its activities and resources so that it can better support its core purpose. This includes looking afresh at some elements of NHS England’s organisational design, and arrangements for direct and specialised commissioning,

including greater involvement of CCGs. The Department of Health will work with you to develop these proposals and ensure they are right for the system as a whole.

I know that NHS England has also taken steps to respond to the feedback given by its staff, CCGs and stakeholders, and will be reflecting this in plans to further develop the organisation into one that has a clear focus. Strengthened relationships with other Arm's Length Bodies will be particularly important as NHS England works collaboratively across the system to improve the quality of services, and health outcomes. Strong local relationships will also be key, particularly working with CCGs, local government, and Health and Wellbeing Boards to ensure the Better Care Fund is used to drive integration of care across different services and support local areas to improve the lives of some of the most vulnerable in society.

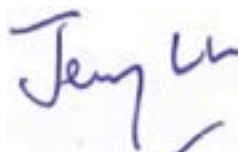
I agree with your assessment that it has been a challenging year in terms of building a new organisation whilst delivering your objectives. During 2014-15, the Department of Health expects you to continue to consolidate and develop as an organisation. In addition to tackling the areas of risk/challenge outlined above, and strengthening partnerships, our view is that you should also strengthen internal assurance, procurement capability and compliance with efficiency controls; and minimise the use of consultancy and third party suppliers of core services.

These measures will be essential in achieving target savings in administration costs for 2015-16. The Department also expects national clinical directors to be supported to provide quality and timely advice to NHS England and the Department of Health, and through wider communication by NHS England on service performance against standards; and that high quality and timely accountability is provided to Parliament and the public.

I understand that NHS England will also be coming to a view in the autumn on the critical questions that NHS will need to address over the next five years. This includes supporting the development of new models of care that will improve outcomes for patients, as well as efficiency.

I trust that NHS England will continue to work collaboratively and openly across the system – with national and local partners, patients and the public – to develop workable proposals in all these areas. I look forward to discussing these proposals with NHS England and its partners in due course.

Given the scale of the overall challenge facing both NHS England and the wider health system this year, it has never been more important to provide the NHS with stability and continuity of purpose. I have therefore announced today that the Government proposes to uphold all of the existing objectives in the current Mandate, and maintain a stable Mandate for 2015-16, to enable the NHS to build on its achievements and make further progress on the ambitious agenda already set.



Rt Hon Jeremy Hunt MP
Secretary of State for Health



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