



Department
of Health

Triennial Review of the Independent Reconfiguration Panel (IRP)

Review Report

March 2015

Title: Triennial Review of the Independent Reconfiguration Panel; Review Report
Author: Adam McMordie, Lead Reviewer – IRP, Assurance Division, Group Operations (17152)
Document Purpose: Corporate Report
Publication date: 26 March 2015
Target audience: Community groups, Civil society, Clinicians, Managers, Commissioners, Directors of Public Health, Pharmacists, Doctors, Midwives, Paramedics, Dentists, SHA, PCT, Foundation Trusts, NHS Commissioning Board, Clinical Commissioning Groups, Employer representatives, Employee representatives, Trade union, Royal Colleges, Local authority, Social care provider, General public, Patients, Patients, Service users.
Contact details: Triennial Review Programme Team Department of Health 220 Richmond House London SW1A 2NS TR-IRP@dh.gsi.gov.uk

You may re-use the text of this document (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit www.nationalarchives.gov.uk/doc/open-government-licence/

© Crown copyright

Published to gov.uk, in PDF format only.

www.gov.uk/dh

Triennial Review of the Independent Reconfiguration Panel (IRP)

Prepared by Lead Reviewer, IRP

Contents

Contents.....	4
Executive summary	5
1. Summary of Recommendations.....	6
2. Introduction and background	7
Stage One Report	9
3. Function	9
4. Delivery model	10
Stage One Conclusion	12
Stage Two Report	13
5. Governance and relationships	13
6. Performance and capability	15
7. Efficiency	16
Stage Two Conclusions	18
Annexes	19
Annex A: core review team, project board, and critical friends group membership, and review costs	19
Annex B: public call for evidence questions.....	20
Annex C: list of respondents to the call for evidence	21
Annex D: Written Ministerial Statement of 30 October 2014.....	22
Annex E: IRP Compliance with the Principles of Good Corporate Governance.....	23

Executive summary

The Independent Reconfiguration Panel (IRP) is an Advisory Non-Departmental Public Body (ANDPB) of the Department of Health (DH). The DH Triennial Review (the review) of the IRP was conducted to provide assurance to the Department and the public of: the ongoing need for the functions currently performed by the IRP; and the efficiency of the administration of these functions. This review forms one of a series of reviews being conducted by DH between 2014-15 and 2016-17 of all the Department's arm's length bodies.

The IRP's core function is to provide advice to the Secretary of State for Health (Secretary of State) in relation to the right of referral granted to Local Authorities, under Section 22(3) of the Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013, in relation to contested proposals for NHS reconfigurations or significant service change.

In respect to the form and function of the IRP, the evidence collected by the review team recognised the continuing need for advice to the Secretary of State. This view was expressed by DH ministers during the evidence collection process, as well as other stakeholders. The review team also concluded that independence from DH, and also other organisations in the health and care system, was a key to the effective development and provision of advice. Based on this evidence, the review team concluded that the IRP should continue to advise the Secretary of State on referrals made under the 2013 regulations, and should continue as an ANDPB.

The public call for evidence contained a range of views about the operation of the IRP, but few clear themes emerged on which to recommend significant process changes. As with the evidence related to the function and form of the IRP, the importance of independent and impartial advice was a key underpinning principle in relation to governance and performance. Maintaining independence does create complexity in terms of exploiting the expertise the IRP has on reconfiguration beyond its core function, outlined above. In this context the review team considered whether:

- more should be done in terms of generic advice or wider engagement with bodies (e.g. Local Authorities and NHS bodies) who may become future service users, as distinct from those actively engaged in assessment or reviews; and
- the IRP should engage with organisations implementing Secretary of State's decisions on reconfiguration.

The review team concluded that the current balance was right at this time.

There was also general agreement, including from the IRP, that the panel should continually seek ways to develop its approach to engagement. To support this, the report contains two recommendations intended to build on the approach to engagement the IRP already has in place.

1. Summary of Recommendations

IRP – Stage one report

Recommendation 1: The functions identified in this review should continue to be delivered by the IRP in its current form as an ANDPB. *Page 12.*

IRP – Stage two report

Recommendation 2: an explanatory document is published to explain the areas that are considered in the course of an IRP review. *Page 18. Action owner IRP.*

Recommendation 3: the IRP considers making more use of exploiting social media in its next full review. *Page 18. Action owner IRP with advice from their media and communications consultants.*

2. Introduction and background

Public Bodies Reform

1. Public bodies need to be responsive to an ever changing landscape. They need to be efficient, effective and accountable. Any duplication of activity needs to be cut and activities and functions no longer needed should be stopped. For functions which remain, the public have a right to be assured they are as effective, efficient and well governed as they can be. Regular challenge and review provides this assurance and so is central to the reform agenda.
2. Triennial Reviews (TRs) provide a systematic approach for the regular review of public bodies operating at arm's length to Government Departments. TRs have two main stages:
 - **Stage one** tests the continuing need for the body, both in terms of the functions it performs and the model and approach through which they are delivered
 - **Stage two** considers the body's governance, performance and capability as well as exploring opportunities for efficiencies.
3. The health and social care system reforms, set out in the Health and Social Care Act 2012 and the Care Act 2014, resulted in the devolution of functions and powers away from the DH to arm's length bodies and local health and care organisations. As steward of this evolving system, the DH is using Triennial Reviews to provide assurance that the system and the new and reformed bodies within it are fit for purpose.
4. To support DH effectively deliver its stewardship function, the Department's programme of TRs extends to all Executive Non-Departmental Public Bodies (ENDPBs), Advisory Non-Departmental Public Bodies (ANDPBs), Executive Agencies, and Special Health Authorities (SpHAs).

IRP Triennial Review

5. The review was conducted by a DH lead reviewer assisted by a multi-disciplinary team drawn from across the Department and working under the direction of a senior review sponsor (SRS), who was independent from the review team and the IRP.
6. In accordance with the Cabinet Office guidance that TRs should be proportionate to the size of the body under review, the IRP review was 'light touch' with the two main stages undertaken in parallel. In addition, the scope of the review meant the team: considered bodies within the existing health and care system as alternative delivery models, but did not explore wider commercialisation; and, excluded a full examination of the wider processes around reconfiguration, although any such issues raised in the course of the triennial review were passed on to the relevant policy team in DH. The review also did not re-open specific recommendations previously made by the IRP to the Secretary of State.
7. In addition to the SRS, the review was overseen by a small project board and supported by a 'critical friends' group. The project board meetings were chaired by the SRS and attended by the IRP's Chief Executive, a representative from the DH sponsor team and the lead reviewer. The 'critical friends' group was attended by representatives from NHS England, the Centre for Public Scrutiny, and the SRO & CO for the Shaping a Healthier Future Programme for Changes to NHS Services in North West London (the most recent full review conducted by the IRP). The purpose of the group was to provide additional external scrutiny to ensure the proportionately and robustness of the review. The

IRP secretariat representative also attended both meetings to provide technical support. The core members of the review team, the project board, and the 'critical friends' groups are in Annex A.

8. The review was subject to the wider scrutiny of the DH Triennial Review Steering Group led by the DH Director Group Assurance, and Ministerial clearance has been granted by Department of Health and Cabinet Office Ministers.
9. Evidence was gathered through a variety of means including desk based review, material submitted during a public call for evidence and stakeholder workshop, and interviews with the IRP Chair, IRP Chief Executive, IRP secretariat, and the DH sponsor team officials. A public call for evidence was run between 27 November and 24 December 2014. There were eleven responses to the public call for evidence. Annex B contains the list of questions in the call for evidence, and Annex C contains the list of respondents by organisation.

Background on IRP

10. The Independent Reconfiguration Panel (IRP) is an Advisory Non-Departmental Public Body (ANDPB) of the Department of Health (DH), established in 2003.
11. Under the Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) Regulations 2013 ('the 2013 regulations'), Local Authorities have the right to refer a reconfiguration proposal to the Secretary of State where they are not satisfied that the relevant NHS organisation has undertaken a thorough consultation process in relation to the content of time allowed, or the proposal does not meet the needs of the local community. Under these circumstances the Secretary of State can seek advice from the IRP on the contested proposal. The final decision on changes is made by the Secretary of State. The IRP has no role in the implementation of the Secretary of State's decision.
12. Advice to the Secretary of State is developed through a review process. The IRP undertakes an initial assessment of referrals, to assess the suitability of each case for full review. Based on the assessment made in an initial review, the IRP will recommend to the Secretary of State whether a full review should be undertaken. The Secretary of State may then commission a full review. Since its establishment in 2003, the IRP has completed 21 full reviews of proposed changes to NHS services.
13. The IRP and its secretariat also offers advice to the NHS and other interested organisations involved in developing proposals for NHS service change. This advice is largely sought by the NHS for example on procedural matters, Local Authorities who are often looking for advice on the referral process, and local residents.
14. The IRP also periodically publishes 'learning from reviews', which provides an insight into what factors can contribute to NHS service changes stalling, and how to avoid these. At the time of the TR the IRP was preparing the 4th edition of its 'learning from reviews' document.
15. The IRP has an independent Chair (Lord Ribeiro), and 15 members. The Panel's membership is evenly split between lay, clinical, and NHS managerial members. The IRP is administered and supported by a Chief Executive (CE) and a secretariat.

Stage One Report

3. Function

16. This section of the review focuses on whether the functions currently undertaken by the IRP should continue based on their contribution to the core business of government and the health and care system. The stage two report provides a more detailed consideration of the efficiency and effectiveness of the function.

Advice to the Secretary State on contested proposals for health service change in England

17. Advice on contested reconfiguration proposals and significant service change is the IRP's core function.

18. Since 2010, Government policy has emphasised local autonomy and flexibility in how NHS organisations plan and deliver service change, subject to meeting legal requirements. DH guidance states that proposals for service change should demonstrate that they meet the Four Tests as set out by the Secretary of State for Health:

- support from clinical commissioners;
- clarity on the clinical evidence base;
- robust patient and public engagement; and
- support for patient choice.

19. Many reconfiguration schemes are successfully implemented on the above basis. However, where cases for change are contested, these can be referred to the Secretary of State for Health through the local health scrutiny body referral process. Specific legislative requirements must be met before the Secretary of State can ask the IRP for its advice.

20. The principle of local autonomy dictates that there is no set model for reconfiguration. Consequently, many contested proposals contain unique issues, and potentially a number of equally valid but opposing perspectives. The provision of expert, independent advice enables the Secretary of State to demonstrate all the available evidence has been considered as part of the process by which they make decisions on contested NHS service change proposals. The development of the expert, independent advice in itself additionally offers a politically neutral process as a focus for key parties, including the NHS, Local Authorities, and affected individuals, to navigate contested reconfigurations. Ensuring the Secretary of State has expert advice, specifically in relation to the right of referral in accordance with the 2013 regulations, was regarded as necessary by the respondents to the call for evidence.

21. In this context, the review team believes that there is ongoing value in this function, and this value lies in it being delivered with impartiality and independence.

Advice to the NHS and other interested organisations involved in developing proposals for NHS service change

22. The IRP currently undertakes a function to offer support and advice to the NHS, local authorities and other interested bodies involved in NHS service reconfiguration. This is a secondary function undertaken by the IRP, intended to exploit its expertise.
23. This function was regarded as a sensible use of the knowledge within the IRP, but a number of respondents expressed the view that this function needs to be carefully managed to ensure that it does not compromise the panel's impartiality. This view was echoed by the IRP itself, which operates on the principle any advice provided in this context should not prejudice any future initial assessment or full review.

4. Delivery model

24. This section of the report focuses on whether the IRP, in its current form as an NDPB, is the most effective delivery model for the function described in the section 3 above.
25. It is Government policy that NDPBs should only be set up, or remain, in existence where the NDPB model can be clearly evidenced as the most appropriate and cost-effective model for delivering the function in question. Cabinet Office guidance has a checklist of delivery options reproduced in the table below. Some of the options were rejected early as being inappropriate. For those which remained, the review team gathered further evidence to analyse each option.

Delivery option	Initial Assessment
Abolish	Consider – the review team considered whether the IRP's functions were required
Move out of central government	Reject – IRP advice relates to proposals where local level resolution mechanisms have already failed
Commercial model	Reject – the nature and scale of the IRP's current functions did not justify in depth consideration of commercial models
Bring-in house	Consider – the review team considered DH as an alternative delivery body
Merger with another body	Consider – the review team gathered evidence on synergies with other organisations in the health and care system and wider government
Less formal structure	Reject – the Cabinet Office Categories of Public Bodies list a number of options for less formal advisory bodies: Temporary Advisory Bodies, Task Forces and Reviews, Stakeholder Groups/Forums, Public Sector Working Groups and Internal Advisory Committees. All were rejected as the functions require long-term, specialist, impartial and consistent advice.
Delivery by a new Executive Agency	Consider – the review team gathered evidence on the appropriate level of independence for the IRP.
Continued delivery by an NDPB.	Consider – the review team considered whether the IRP met one or more of the 'three tests' (see paragraph 26 and footnote 1 on page 11).

26. To address the remaining options the review team developed three criteria, drawing from the Cabinet office guidance on: the ‘three test’ for NDPBs status¹; and ‘Triennial Reviews: Guidance on Reviews of non-Departmental Public Bodies’. The bullets points below outline the criteria and the key facts identified by the review team:

- *The need to establish and analyse facts with integrity.* Reconfiguration proposals necessitating a referral to the Secretary of State are by their very nature contested, and other local level mechanisms of resolution have failed. The TR team believe that at this point in a reconfiguration it is important that the organisation establishing and considering the facts, and providing advice, has a high level of credibility with all of the parties involved in the proposed reconfiguration. The key components of this identified by the review team are: the expertise of the individuals and group considering the proposal; transparency in process; and demonstrable impartiality and independence.
- *Accountability for reconfiguration decisions.* When cases are referred in accordance with the 2013 regulations, the Secretary of State is ultimately accountable for the decisions made in relation to contested reconfiguration. As such the IRP does not make executive decisions. It is beyond the scope of this review to make recommendations about the underlying legislation, so within this parameter the delivery model for the advice function should ensure the Secretary of State retains appropriate accountability for relevant reconfiguration decisions.
- *The potential for other organisation to deliver the advice function.* The review team considered whether other organisations in the health and care system, or wider government, provide similar functions where economies of scale could be sought. While there are other organisations that are involved in reconfiguration, the review team did not identify an existing body that offers both the expertise and the necessary independence from wider reconfiguration processes. This was reinforced by the views of the respondents to the call for evidence. Looking across government, the review team considered whether there were organisations in tribunal services with significant synergies. There were some common features, including: dispute arbitration; appeals process involving a Secretary of State e.g. immigration tribunals; and bodies undertaking independent and impartial analysis of evidence. However, there were significant differences, including the level of executive power exercised, and the nature of the expertise required to advise on reconfiguration.

27. Considering the evidence gathered against the three criteria, the review team believes that the functions should remain at arm’s length from the Department of Health. Further, given the specific nature of the advice function, the review team could not identify any organisations with sufficient synergies to recommend that the IRP should be replaced or merged. Finally, to ensure the Secretary of State’s accountabilities are retained within the current legislative structure, the advisory nature of the IRP is more appropriate than a transition to an executive NDPB.

28. Based on the conclusions above and in the ‘Functions’ section of this report (that there is an ongoing need for the IRP’s function) the review team considers that the IRP should continue as an ANDPB. This option is recommended in preference to the IRP being: abolished; brought into DH; or merged with a pre-existing body elsewhere in government or the wider health and care system.

¹ The “three tests” are: is this a technical function (which needs external expertise to deliver); is this a function which needs to be, and be seen to be, delivered with absolute political impartiality (such as certain regulatory or funding functions); and, is this a function which needs to be delivered independently of Ministers to establish facts and/or figures with integrity.

Stage One Conclusion

29. Stage one of the IRP TR identified one core function for the IRP, and a secondary function which exploits the expertise that the panel develops in the course of its core work. Based on the value that stakeholders place on an independent advice function, and the underlying legislative right for Local Authorities to refer contested proposals to the Secretary of State under the 2013 regulations, the review team recommends that these functions should continue. Based on the criteria outlined in the 'Delivery' section above, the review team also recommends that the functions should continue to be delivered by the IRP as an ANDPB.

Recommendation 1: The functions identified in this review should continue to be delivered by the IRP in its current form as an ANDPB.

Stage Two Report

30. The stage two report explores whether the IRP adheres to principles of good governance, and considers performance and potential efficiencies.

5. Governance and relationships

Governance of the IRP

31. Good corporate governance is central to the effective and efficient running of all public bodies. The IRP complies with the requirements of good governance set out in *Managing Public Money*. A full 'comply or explain' analysis against these principles of good corporate governance is provided at Annex E.
32. The composition of the panel was generally regarded as one of its strengths by respondents to the call for evidence, and while there were some suggestions about changes to the membership there were no common themes. The members of the IRP are appointed through a fair and open process based on merit and which is administered by DH. This is in line with the Commissioner of Public Appointment code of practice and Cabinet Office guidelines.
33. In common with a number of other ANDPBs reviewed by DH as part of this programme of TRs, the review team noted the IRP's concerns around the presumption against re-appointment of Panel members when their initial appointment terms end. Where ANDPBs require specialist skills, and there are a comparatively limited number of eligible candidates, single term or short appointment periods risk compromising the level of expertise available to the ANDPB concerned.
34. The full Panel of the IRP typically meets six times a year, in addition to work required for assessments of individual reviews. Minutes from full Panel meetings, including a register of Panel members' interests, are published on the IRP's website, which has recently transitioned to gov.uk. In respect of transparency, documents relating to advice to the Secretary of State and the supporting IRP review reports, are also publically available on the IRP website on gov.uk.
35. The IRP is unique as a DH sponsored ANDPB in that it has a CE in addition to a Chair. The executive role is required for the effective day to day management of the initial assessment of

Principles of Good Corporate Governance

Good corporate governance is central to the effective operation of all public bodies. As part of the review process, therefore, as an Arm's Length Body of the Department of Health, the governance arrangements in place in the IRP should be reviewed. As a minimum, the controls, processes and safeguards in place in the ALB should be assessed against the principles and policies set out in this guidance. These reflect best practice in the public and private sectors and, in particular, draw from the principles and approach set out in the **Corporate Governance in Central Government Departments: Code of Good Practice**.

emerging reviews as well as the administration of those that subsequently develop into full reviews. Such full reviews require significant levels of stakeholder engagement and deployment of resource, including Panel members' time. The Chair, the CE, and the DH sponsor team demonstrated to the TR team that there are clear and well understood division of responsibilities and lines of accountability in relation to the respective roles of the Chair and the CE.

Relationship with the Department of Health

36. The Department is the steward of the health and care system and acts as sponsor for all its arm's length bodies. The IRP has a Director General level Senior Departmental Sponsor (SDS), who is supported by a team within DH who provide day to day sponsorship. Sponsors are supported by the 'sponsorship standards' and a 'sponsor guide'. The IRP- DH working relationship is centred on these sponsorship arrangements.
37. The review team found evidence of open channels of communication and regular contact between the IRP and DH. The DH sponsor team, together with the IRP Chair, IRP CE, and IRP secretariat regarded the IRP-DH relationship as effective. There is a clear and common understanding between DH and the IRP about the use of the funds allocated to the IRP, and a shared recognition of the importance of safeguarding and maintaining the IRP's autonomy and independence during reviews.
38. The IRP is held to account by DH through a number of standard mechanisms. The SDS has regular meetings with the IRP Chair, and the Chair meets with the Secretary State, usually twice a year. Where appropriate these meetings are also attended by the CE. The CE also has quarterly business review meetings with the sponsor team.
39. Where the IRP believes it is appropriate, they have also provided expert input to DH consultations. As with the advice the IRP provides to organisations interested in reconfigurations, the panel operates on the principle that any input should not compromise its impartiality and independence.

Relationship with others in the health and care system

40. The IRP engages with a range of stakeholder groups across the wider health and care system. The mechanisms through which they do this include direct engagement with organisations that have interests in reconfiguration and public scrutiny, for example the Centre of Public Scrutiny, and inviting organisations and individuals to speak at committee meetings. Recent examples of speakers include the Royal College of Physicians and Health Education England. The IRP has previously issued a free newsletter that stakeholders can sign up to. The newsletter has been paused during the transition of the IRP website to gov.uk but the IRP does intend to reinstate it.
41. In relation to full reviews, the IRP undertakes stakeholder mapping as a key planning activity for specific reviews. Each review report contains a list of those who contributed evidence, which demonstrates engagement with organisations in the health and care system with interests in specific reconfigurations.
42. In the course of the TR the review team noted a number of other functions within the health and care system which can entail involvement with service change proposals. For example, the Trust Special Administrator (TSA) regime. This regime is a distinct statutory process intended for use as a last resort to deliver a sustainable solution for the intractable problems of a seriously challenged NHS

provider. The recommendations of the Trust Special Administrator may include recommendations for reconfiguration of services. It is also possible for individuals to use judicial review to challenge the process by which reconfiguration decisions are made. Other than assessing the value of the functions performed by the IRP, and whether there are potential efficiencies in these functions being performed by an alternative organisation, it was beyond the scope of the review to consider related policy areas such as the TSA regime. Comments received in the course of the triennial review raising such issues have been passed on to the relevant DH policy team to consider.

6. Performance and capability

Operational performance

43. The work of the IRP is demand led, and consequently fluctuates on an annual basis. In 2014-15, at the time of writing, the IRP has submitted three initial assessments, with two more due to be commissioned, and provided advice to 10 interested parties and organisations. In the year 2013-14, the IRP submitted two full reports and seven initial assessments and provided advice to nine interested parties and organisations. In 2012-13, the IRP submitted six initial assessments and one full review and provided advice to nine interested parties and organisations.
44. The IRP works to a 20 working day turnaround for initial assessments, and a 60 working day turnaround for full reviews. Full reviews involve significant levels of planning and stakeholder engagement. While each review does vary, to give a sense of scale, just the evidence gathering stage of the 'Shaping a Healthier Future review' involved 16 site visits and public meetings where the IRP met over 150 individuals and representatives from interested organisations. In light of the scale of major reviews the TR review team believes that a 60 day working turnaround is already a stretching target.
45. While no IRP recommendations have been rejected by the Secretary of State, the IRP does not have a specific measure for the quality of its work. The triennial review team considered whether there were quality measures used by the tribunal services, in respect to dispute resolution, and also quality measures used internally by DH expert committees, for possible read across to the IRP. While there were no directly applicable measures, with many being volume focused, the review noted that organisations do use complaints and feedback as a surrogate measure for quality.
46. When the IRP is gathering evidence for future referrals, they draw on all available evidence within the health and care system, including lessons learned from previous reviews. The Panel does not have a formal feedback mechanism in place, and does not systematically analyse the implementation of the Secretary of State's decision, based on their advice. The IRP does, however, receive informal feedback from all those involved in an IRP review, and where an issue is identified they may seek specific feedback. The review team recognises:
 - the IRP does not have a role in the implementation of the Secretary of State's decisions, and risks compromising its impartiality if it was perceived to be revising the Secretary of State's decision; and
 - that any analysis of the implementation of a decision based on IRP advice would be significantly complicated by attempts to isolate issues that are directly relevant to IRP advice as opposed to those arising through its implementation.

47. The review team does recognise such information gathering could be of use to the IRP. However, given the combination of a risk to the Panel's impartiality and the likelihood that any data gather would be of limited use, the review team is not making a specific recommendation about additional feedback mechanisms.
48. In a full IRP review the Panel considers whether proposed changes to health services will ensure the provision of safe, sustainable and accessible services for local people. The focus of all reviews is the patient and the quality of care. As part of the review process the IRP considers written evidence, makes site visits and gathers information from all interested parties.
49. The IRP's general terms of reference are set by the Secretary of State, and are drafted to provide sufficient flexibility to allow the panel to pursue the most relevant issues in each individual review. As such they do not contain specific information about the areas a review will consider. Based on feedback from the call for evidence, **the review team recommends that an explanatory document is published to explain the areas that are considered in the course of an IRP review.** This reflects the fact that most NHS trusts, Local Authorities, and other interested parties will have one-off engagement, rather than repeated interactions, with the IRP. This additional explanatory information would support them prior to the formal commencement of a review. Once it is agreed that a full review should take place, a review specific terms of reference will be agreed by the IRP chair and the Secretary of State.
50. During the course of the TR a range of views were put to the review team on the effectiveness of the evidence gathering process. On the whole the comments were positive and reflected the nature of engagement that the IRP works to deliver. One respondent to the call for evidence highlighted the potential for greater use of social media. This could involve using existing local level social media networks during reviews, even if not going as far as opening specific IRP accounts on social media. In line with the government's digital strategy to engage citizens in ways that are easy, relevant, and cost effective, **the review team recommends that the IRP considers making more use of social media in its next full review.**

7. Efficiency

Expenditure

51. The demand-led nature of the IRP's work means that there is not a predictable profile for use of resources and associated expenditure. Consequently, the total expenditure for the IRP fluctuates depending on the number of reviews undertaken, and also the scale of individual reviews.
52. The IRP has recurrent annual costs, for example salaries and rent, and demand-led expenditure such as review managers and media contracts (which are discussed in more detail below). The table below provides the breakdown of these two types of expenditure.

	2012/13	2013/14	2014/15 (Forecast based on year to date as of January 2015)
Total expenditure	£ 459,100	£469,000	£ 305,400
Recurrent annual costs	£291,700	£297,000	£ 252,400
Demand led-expenditure	£ 167,400	£172,000	£53,000

53. To ensure flexibility of resource, and compliance with government procurement rules, the IRP uses the 'contingent labour 1' mechanism to engage review managers, and maintains an 'on-call' contract for a media and communications service. This structure of service provision is designed to allow the IRP to have appropriate resource 'on-demand' so expenditure is not incurred if the resource is not required. This is reflected in the 2014/15 year to date figures, where there have been no full reviews. The day rates for contractors set out in the contracts are within the range advised by the DH procurement team. The IRP also has a contract for office space, again procured through standard DH procurement processes.
54. As with all contracts, the sponsor team and the IRP should continue to keep its contracts under review. This is particularly relevant to the IRP as the demand led expenditure can comprise nearly forty per cent of the IRP's annual spend. Also, significant changes in the patterns of future demand for advice could mean a different structure providing greater value for money
55. The CE and the Chair salaries are £112,200 and £36,780 per annum respectively. Based on the Cabinet Office published data, remuneration for Chairs and Chief Executives of NDPBs across government varies, but as an indicator the level of remuneration for the Chair and the CE are both within the range described in the Cabinet Office data. Panel members do not receive a salary. They are able to claim expenses for travel and subsistence in line with DH limits, and are also entitled to £140 for each day's work related to IRP.
56. In addition to the spend outlined in the table above, the DH employs one Grade 7 to provide the secretariat. The secretariat works full time on IRP matters: the only staff member of the body to do so.

Efficiency of the review process

57. From the call for evidence there was support for the use of a two stage process, to ensure that resources are not unnecessarily expended on full reviews. Initial assessments are conducted by a small number of panel members with the appropriate expertise. These are generally considered in committee meetings or by phone conference, so do not as standard incur a cost beyond the time and expenses of the panel members. The costs of a full review will vary according to the complexity and amount of resource that is deployed, but are primarily related to the deployment of the resources under the 'on-call' contracts, and the time and expenses of panel members.

Stage Two Conclusions

58. Stage two of the IRP TR considered the governance and operation of the functions considered in stage one. The report did not find specific governance concerns, or any themes that point to the need for the significant changes to the processes the IRP has in place.
59. The review team considered whether the IRP is structured a way that maintains capability, while incurring the lowest cost. The current model seeks to reduce the fixed costs, and pay for resources as and when full reviews are undertaken. Given the variability in demand for full reviews, the review team believe this is an efficient way to control the costs of the IRP.
60. The report contains two recommendations for the IRP to take forward. The recommendations propose potential ways to support IRP engagement with those who wish to be engaged in the IRP reviews.

Recommendation 2: the review team recommends that an explanatory document is issued to explain the areas that are considered in the course of an IRP review.

Recommendation 3: the review team recommends that the IRP considers making more use of social media in its next full review

Annexes

Annex A: core review team, project board, and critical friends group membership, and review costs

Review team

Role	Name
Senior Review Sponsor	Jane Allberry
Lead Reviewer	Adam McMordie
Assistant Reviewer	Paul McCormack

Project Board

Role	Name
Chair	Jane Allberry
Member: IRP Chief Executive	Richard Jeavons
Member: DH Sponsor team	Claire Stoneham
Member: TR review team	Adam McMordie
Attendee: IRP Secretariat	Martin Houghton
Secretary	Paul McCormack

Critical Friends Group

Organisation	Name
NHS England	Tim Young
Centre for Public Scrutiny	Tim Gilling
Former SRO & CO for the 'Shaping a Healthier Future Programme' (currently Chief Executive, Epsom and St Helier)	Daniel Elkeles

Review Costs

The direct cost of the review is estimated to be £11,600. This comprises the DH resources (total salary costs for review team members), and travel and subsistence for the review team.

No additional fees were paid to members of the IRP, the IRP secretariat, the SRS, or the critical friends.

The indirect costs of the Panel Chair, CE and Secretariat's time are not included in this calculation.

Annex B: public call for evidence questions

- 1 Are the functions the IRP undertakes in relation to providing formal advice to the Secretary of State on contested proposals for health service change in England necessary in the post-2013?
- 2 Are there other organisations or mechanisms in the post-2013 health and care system that are better placed than the IRP to provide formal advice to the Secretary of State on contested proposals for health service change in England?
- 3 Does the IRP have the right level of independence to ensure its formal advice to the Secretary of State is impartial?
- 4 Do the composition and expertise of the IRP membership best support the provision of robust formal advice to the Secretary of State?
- 5 Could the IRP improve the process by which it gathers evidence to inform its formal advice to the Secretary of State?
- 6 Are there other ways in which the IRP could perform more effectively in relation to providing formal advice to the Secretary of State?
- 7 Are there any criteria which should be added or removed from the IRP term of reference?
- 8 Does the advice giving service provided to the NHS and other organisations add value in the post-2013 health and care system?
- 9 Is the process through which the NHS and other interested organisations seek advice about successful NHS service change effective?
- 10 Are there other organisations or mechanisms that are better placed than the IRP to provide advice to the NHS and other interested organisations on successful service change?
- 11 Are there other organisations which could be used as a benchmark for the performance of the IRP?

If there is other evidence or further views on the IRP's role, functions, performance, efficiency or governance that you would like to submit as part of this Call for Evidence, please attach it and state what it relates to.

Annex C: list of respondents to the call for evidence

1	Community Hospitals Association
2	Tangram Architects
3	Leeds City Council
4	Wakefield Metropolitan District Council
5	The Nuffield Trust
6	Healthwatch Leeds
7	Hartlepool Borough Council
8	Lay Member, IRP
9	Chairman of the Health Scrutiny Committee for Lincolnshire
10	Royal College of Physicians
11	NHS ENGLAND

Annex D: Written Ministerial Statement of 30 October 2014

Written Ministerial Statement

DEPARTMENT OF HEALTH

Triennial reviews of non- Departmental public bodies

Thursday 30 October 2014

The Parliamentary Under Secretary of State, Department of Health (George Freeman): I am today announcing the start of the triennial reviews of the National Institute for Health and Care Excellence (NICE), the Medicines and Healthcare Products Regulatory Agency (MHRA), the British Pharmacopoeia Commission (BPC), the Commission on Human Medicines (CHM), the Administration of Radioactive Substances Advisory Committee (ARSAC) and the Independent Reconfiguration Panel (IRP).

All Government Departments are required to review their non-Departmental public bodies (NDPBs) at least once every three years. Due to the wide ranging reforms made by the Health and Social Care Act 2012, DH was exempt from the first round of reviews in 2011-14. In order to ensure that DH is an effective system steward and can be assured of all the bodies it is responsible for, we have extended the programme of reviews over the next three years to all of its arm's length bodies and executive agencies.

The reviews of the aforementioned bodies have been selected to commence during the first year of the programme (2014-15). The reviews will be conducted in two stages. The first stage will examine the continuing need for the function and whether the organisation's form, including operating at arm's length from government, remains appropriate. If the outcome of this stage is that delivery should continue, the second stage of the review will assess whether the bodies are operating efficiently and in line with the recognised principles of good corporate governance.

Annex E: IRP Compliance with the Principles of Good Corporate Governance

Principles of Good Corporate Governance		Findings of Review
Accountability	Principle: The minister is ultimately accountable to Parliament and the public for the overall performance, and continued existence, of the advisory NDPB.	IRP is compliant overall.
	Provision 1 The minister and sponsoring department should exercise appropriate scrutiny and oversight of the advisory NDPB. This includes oversight of any public monies spent by, or on behalf of, the body.	IRP is compliant. The IRP budget is approved by the senior official in the DH sponsor team. IRP expenditure is administered by the Secretariat, with input from DH Buying Coordinators and Budget Control Liaison Officers.
	Provision 2 Appointments to the advisory NDPB should be made in line with any statutory requirements and, where appropriate, with the Code of Practice issued by the Commissioner for Public Appointments.	IRP is compliant. All DH public appointments follow the Code.
	Provision 3 The minister will normally appoint the Chair and all board members of the advisory NDPB and be able to remove individuals whose performance or conduct is unsatisfactory.	IRP is compliant.
	Provision 4 The minister should meet the Chair on a regular basis.	IRP is compliant. The Chair meets regularly with DH Ministers.

<p>Provision 5</p> <p>There should be a requirement to inform Parliament and the public of the work of the advisory NDPB in an annual report (or equivalent publication) proportionate to its role.</p>	<p>IRP is compliant.</p> <p>IRP publishes Initial Assessments, Full Reviews, and an annual business review on gov.uk. IRP also periodically publishes on gov.uk “Learning from Reviews” which provide insights on what factors can contribute to NHS service changes stalling and how to avoid these.</p> <p>The IRP is not a separate legal entity to the core Department. Associated costs are included within the Core Department account.</p>
<p>Provision 6</p> <p>The advisory NDPB must be compliant with Data Protection legislation.</p>	<p>IRP is compliant.</p> <p>A data protection policy is in place and the IRP Secretariat is responsible for compliance.</p>
<p>Provision 7</p> <p>The advisory NDPB should be subject to the Public Records Acts 1958 and 1967.</p>	<p>IRP is compliant.</p> <p>The IRP Secretariat is responsible for compliance.</p>

Role of the Sponsoring Department	<p>Principle:</p> <p>The departmental board ensures that there are appropriate governance arrangements in place with the advisory NDPB.</p>	<p>IRP is compliant overall.</p> <p>There is a sponsor team within the Department that provides appropriate oversight and scrutiny of, and support and assistance to, the advisory NDPB.</p>
	<p>Provision 1</p> <p>The departmental board's agenda should include scrutiny of the performance of the advisory NDPB proportionate to its size and role.</p>	<p>IRP is compliant.</p> <p>Scrutiny of the performance of IRP is overseen by the Senior Departmental Sponsor (at Director General level), who is responsible for escalating any issues to the Departmental Board. This is appropriate given the scale of the IRP's current functions.</p>
	<p>Provision 2</p> <p>There should be a document in place which sets out clearly the terms of reference of the advisory NDPB. It should be accessible and understood by the sponsoring department and by the Chair and members of the advisory NDPB. It should be regularly reviewed and updated.</p>	<p>IRP is compliant.</p> <p>The IRP terms of reference is published on gov.uk.</p>
	<p>Provision 3</p> <p>There should be a dedicated sponsor team within the sponsor department. The role of the sponsor team should be clearly defined.</p>	<p>IRP is compliant.</p> <p>.</p>
	<p>Provision 4</p> <p>There should be regular and ongoing dialogue between the sponsoring department and the advisory NDPB.</p>	<p>IRP is compliant.</p>
	<p>Provision 5</p> <p>There should be an annual evaluation of the performance of the advisory NDPB and any supporting committees – and of the Chair and individual members.</p>	<p>IRP is compliant.</p> <p>Members are each appraised annually by the Chair.</p> <p>The Chair and Chief Executive are each appraised annually by the DH Director General for Finance & NHS.</p>

Role of the Chair	<p>Principle: The Chair is responsible for leadership of the advisory NDPB and for ensuring its overall effectiveness.</p>	IRP is compliant overall.
	<p>Provision 1</p> <p>The advisory NDPB should be led by a non-executive Chair.</p>	IRP is compliant.
	<p>Provision 2</p> <p>There should be a formal, rigorous and transparent process for the appointment of the Chair. This should be compliant with the Code of Practice issued by the Commissioner for Public Appointments. The Chair should have a clearly defined role in the appointment of non-executive board members.</p>	<p>IRP is compliant.</p> <p>All DH public appointments follow the Code.</p> <p>The role of the Chair in the appointments process was made clear on appointment.</p>
	<p>Provision 3</p> <p>The duties, role and responsibilities, terms of office and remuneration (if only expenses) of the Chair should be set out clearly and formally defined in writing. Terms and conditions must be in line with Cabinet Office guidance and with any statutory requirements. The responsibilities of the Chair will normally include:</p> <ul style="list-style-type: none"> • representing the advisory NDPB in any discussions with ministers; • advising the sponsoring department and ministers about member appointments and the performance of members ; • ensuring that the members have a proper knowledge and understanding of their role and responsibilities. The Chair should ensure that new members undergo a proper induction process and is normally responsible for undertaking an annual assessment of non-executive board members' performance; • ensuring that the advisory NDPB, in reaching decisions, takes proper account of guidance provided by the sponsoring department or ministers; • ensuring that the advisory NDPB carries out its business efficiently and effectively; and • representing the views of the advisory NDPB to the general public, when required. 	<p>IRP is compliant.</p> <p>All public appointees have terms and conditions of appointment attached to their offer letter. The responsibility to abide with the Cabinet Office's Code of Conduct is made clear.</p>

Role of other members	<p>Principle: The members should provide independent, expert advice.</p>	IRP is compliant overall.
	<p>Provision 1</p> <p>There should be a formal, rigorous and transparent process for the appointment of members to the advisory NDPB. This should be compliant with the Code of Practice issued by the Commissioner for Public Appointments.</p>	<p>IRP is compliant.</p> <p>All DH public appointments follow the Code.</p>
	<p>Provision 2</p> <p>Members should be properly independent of the department and of any vested interest (unless serving in an ex-officio or representative capacity).</p>	<p>IRP is compliant.</p> <p>IRP Members declare interests at meetings and complete an Annual Declaration of Interests.</p> <p>If any interest is declared by a member at a meeting, the Chair will decide whether or not that member participates in the discussion. The interest declared at the meeting is recorded in the minutes and whether the member participated in the discussions is recorded.</p>
	<p>Provision 3</p> <p>Members should be drawn from a wide range of diverse backgrounds, but should have knowledge and expertise in the field within which the body has been set up to advise ministers. The advisory NDPBs as a whole should have an appropriate balance of skills, experience, independence and knowledge.</p>	<p>IRP is compliant.</p> <p>The 15 IRP Members currently comprise: (a) medical professionals, (b) NHS managers, and (c) lay members, in equal proportions – five of each. This is appropriate given the nature and scale of IRP's current functions.</p>
	<p>Provision 4</p> <p>The duties, role and responsibilities, terms of office and remuneration of members should be set out clearly and formally defined in writing. Terms and conditions must be in line with Cabinet Office guidance and with any statutory requirements.</p>	<p>IRP is compliant.</p> <p>All public appointees have terms and conditions of appointment attached to their offer letter. These are cleared by lawyers and any statutory requirements are set out. The responsibility to abide with the Cabinet Office's Code of Conduct is made clear.</p>

<p>Provision 5</p> <p>All members must allocate sufficient time to the advisory NDPBs to discharge their responsibilities effectively.</p>	<p>IRP is compliant.</p> <p>Members respond in a timely and appropriate manner to contribute to initial assessments and full reviews.</p> <p>Members attend meetings as required.</p> <p>These activities are assessed as part of the appraisal process.</p>
<p>Provision 6</p> <p>There should be a proper induction process for new members. This should be led by the Chair. There should be regular reviews by the Chair of individual members' training and development needs.</p>	<p>IRP is compliant.</p> <p>Members' training and development needs are discussed at their annual appraisals.</p>
<p>Provision 7</p> <p>All members should ensure that high standards of corporate governance are observed at all times. This should include ensuring that the advisory NDPB operates in an open, accountable and responsive way.</p>	<p>IRP is compliant.</p>

Communications	<p>Principle: The advisory NDPB should be open, transparent, accountable and responsive.</p>	IRP is compliant overall.
	<p>Provision 1</p> <p>The advisory NDPB should operate in line with the statutory requirements and spirit of the Freedom of Information Act 2000.</p>	<p>IRP is compliant.</p> <p>Although IRP is exempt from the Freedom of Information Act 2000, it has arrangements in place to respond to FOI requests.</p>
	<p>Provision 2</p> <p>The advisory NDPB should make an explicit commitment to openness in all its activities. Where appropriate, it should establish clear and effective channels of communication with key stakeholders. It should engage and consult with the public on issues of real public interest or concern. This might include holding open meetings or annual public meetings. The results of reviews or inquiries should be published.</p>	<p>IRP is compliant.</p> <p>IRP publishes Initial Assessments and Full Reviews on gov.uk. IRP also periodically publishes on gov.uk “Learning from Reviews” which provide insights on what factors can contribute to NHS service changes stalling and how to avoid these.</p> <p>IRP has effective evidence gathering processes in place to engage with key stakeholders when conducting initial assessments and full reviews.</p>
	<p>Provision 3</p> <p>The advisory NDPB should proactively publish agendas and minutes of its meetings.</p>	<p>IRP is compliant.</p> <p>Agendas and suitably redacted minutes of IRP meetings are published on the IRP’s website that has recently transitioned to gov.uk.</p>
	<p>Provision 4</p> <p>There should be robust and effective systems in place to ensure that the advisory NDPB is not, and is not perceived to be, engaging in political lobbying. There should also be restrictions on members attending Party Conferences in a professional capacity.</p>	<p>IRP is compliant.</p> <p>IRP members are advised to undertake political activities, for example attendance at party conferences, as individuals and not in their capacity as IRP members.</p> <p>Given the size of IRP and nature of its current functions, this is an appropriate approach.</p>

Conduct and Behaviour	<p>Principle: Members should work to the highest personal and professional standards. They should promote the values of the advisory NDPB and of good governance through their conduct and behaviour.</p>	IRP is compliant overall.
	<p>Provision 1</p> <p>A Code of Conduct must be in place setting out the standards of personal and professional behaviour expected of all members. This should follow the Cabinet Office Code. All members should be aware of the Code. The Code should form part of the terms and conditions of appointment.</p>	<p>IRP is compliant.</p> <p>All public appointees have terms and conditions of appointment attached to their offer letter. The responsibility to abide with the Cabinet Office's Code of Conduct is set out.</p>
	<p>Provision 2</p> <p>There are clear rules and procedures in place for managing conflicts of interest. There is a publicly available Register of Interests for members. This is regularly updated.</p>	<p>IRP is compliant.</p> <p>IRP register of members' interests is published on gov.uk</p>
	<p>Provision 3</p> <p>There must be clear rules in place governing the claiming of expenses. These should be published. Effective systems should be in place to ensure compliance with these rules.</p>	<p>IRP is compliant.</p> <p>There is a formal expenses policy in place, based on the DH expenses policy.</p> <p>Claims are checked by the IRP Secretariat and the DH Sponsor Team.</p>
	<p>Provision 4</p> <p>There are clear rules and guidelines in place on political activity for members and that there are effective systems in place to ensure compliance with any restrictions.</p>	<p>IRP is compliant.</p> <p>The IRP Chair is a member of the House of Lords and the IRP governance arrangements have been organised accordingly.</p> <p>IRP members are advised to undertake political activities, for example attendance at party conferences, as individuals and not in their capacity as IRP members.</p> <p>Given the size of IRP and nature of its current functions, this is an appropriate approach.</p>

	<p>Provision 5</p> <p>There are rules in place for members on the acceptance of appointments or employment after resignation or retirement. These are enforced effectively.</p>	<p>IRP is compliant.</p> <p>There is a published declaration of member interests. In addition, in the planning stage of each review care is taken to select panel members for the review who do not have a personal or professional connection with the NHS service change contested proposals under consideration, in order to avoid a potential conflict of interest.</p> <p>Given the nature and scale of the IRP's current functions, this is an appropriate approach.</p>
--	--	--