



Department
of Health

Minutes

Title of meeting	NHS England accountability meeting		
Date	17 November 2015	Time	15:00 – 16:30
Venue	Richmond House		
Chair	Jeremy Hunt – Items 1-4 Lord Prior – Item 5	Secretary	NHS England sponsorship team member

Attendees:

Department of Health

Jeremy Hunt, Secretary of State for Health

Lord Prior, Parliamentary Under Secretary of State for NHS Productivity

George Freeman, Minister for Life Sciences

Una O'Brien, Permanent Secretary

Ed Jones, Special Advisor to the Secretary of State

Alex Thomas, Principal Private Secretary to the Secretary of State

David Williams, Director General of Finance, Commercial and NHS

Ben Dyson, Director of NHS Group

Mayerling O'Regan, Deputy Director, Primary Medical Care and NHS Commissioning Unit
NHS England Sponsorship team member

NHS England

Professor Sir Malcolm Grant, Chair

Simon Stevens, Chief Executive

Paul Baumann, Chief Financial Officer

Noel Gordon, Non-Executive Director and Chair of NHS England's Specialised Commissioning Committee

Ian Dodge, National Director of Commissioning Strategy
Representative of the Chair and Chief Executive's Office
Mandate, Partnerships and Accountability team member

Agenda item 1: Matters arising

1. There were no actions arising from the previous meeting.

Agenda item 2: Specialised services commissioning

2. The SECRETARY OF STATE invited the CHAIR OF NHS ENGLAND to provide an update on specialised services commissioning.
3. The CHAIR OF NHS ENGLAND said that he wished to use this item to highlight the progress that NHS England has made in this area as well as the challenges that lie ahead. He noted the importance that the NHS England Board placed on specialised services commissioning and that over the past two years NHS England has raised standards to a uniform national level. He invited the CHAIR OF THE SPECIALISED COMMISSIONING COMMITTEE to update the SECRETARY OF STATE on the current landscape and future challenges.
4. The CHAIR OF THE SPECIALISED COMMISSIONING COMMITTEE said the specialised services commissioning committee had been established six months previously in order to create a strategic agenda and focus on the specific governance of specialised services commissioning, separate to the wider commissioning agenda. He added that there are considerable challenges associated with specialised services commissioning as there are 143 different specialised services with an annual cost of over £13bn that is likely to increase.
5. The SECRETARY OF STATE asked what actions NHS England proposed to take in order to address the projected cost pressures in this area. The CHAIR OF THE SPECIALISED COMMISSIONING COMMITTEE said that the shift to collaborative commissioning offered opportunities to make greater use of efficiencies by working collaboratively with CCGs to commission the whole of the patient pathway. He added that this approach allowed the commissioning of different services at different levels. This would enable commissioners to make greater use of economies of scale by commissioning services at a national or local level depending upon need.
6. The SECRETARY OF STATE asked what was driving the current financial pressures and growth in demand for specialised services commissioning and what NHS England was doing to mitigate those pressures. The CHIEF EXECUTIVE OF NHS ENGLAND said that the pressures and demand are mainly being caused by the rapidly increasing number of specialised services available. He said that there are several potential mitigations to this such as the rolling programme of service reviews, centralising procurement, and managing high-cost drugs. It would be important for the Department to consider the affordability of implementing NICE decisions at the current threshold. He further noted that work on re-shaping the supply

side economy as well as driving efficiencies through reducing pricing variation and strengthening incentive alignment would be vital in driving efficiencies.

7. The MINISTER FOR LIFE SCIENCES said that he would like to see NHS England taking the opportunity of a single comprehensive system to look at new procurement methods. Specifically he wanted it to look at brokering better deals earlier in the process. The CHIEF EXECUTIVE OF NHS ENGLAND replied that to do this would require marshalling of resources across a number of organisations.
8. The SECRETARY OF STATE agreed that such integration was something that should be considered and that further feasibility work would be required before this could be taken forward.
9. The PERMANENT SECRETARY noted that NHS England and DH should work together to ensure that people with the right calibre of commercial skills were working with specialised services commissioners.
10. The PERMANENT SECRETARY asked how patient involvement in service design and provision would be maintained whilst service improvement was undertaken as outlined. The MINISTER FOR LIFE SCIENCES echoed this and asked NHS England how it would give a stronger voice to patients. The CHIEF EXECUTIVE OF NHS ENGLAND said that NHS England remains committed to a strong patient voice and it intends to develop its current approach, ensuring that this continues to be heard.
11. The SECRETARY OF STATE asked the CHIEF EXECUTIVE OF NHS ENGLAND whether he felt that specialised services commissioning could continue to be contained within the current budget. The CHIEF EXECUTIVE OF NHS ENGLAND said that additional investment would be needed but also efficiency savings, in line with the approach needed for non-specialised services, as new approaches to ensuring affordability was factored in alongside cost effectiveness.
12. The MINISTER FOR LIFE SCIENCES asked NHS England how it was assured that a national specialised services commissioning strategy was compatible with local devolution agendas. The CHAIR OF THE SPECIALISED COMMISSIONING COMMITTEE replied that NHS England would be developing a standard governance model in order to hold all commissioners to an agreed national standard for access and quality.
13. The SECRETARY OF STATE thanked NHS England for the discussion and asked to revisit specialised services commissioning at a future accountability meeting.

ACTION: Secretariat to add specialised services commissioning to a future agenda.

Agenda Item 3: Efficiencies

14. The SECRETARY OF STATE said that following the Spending Review he would like to discuss the structures for delivering the efficiencies with NHS England. Particularly, he said that he wanted to guarantee the pace on the delivery of Lord Carter's recommendations on efficiencies and the Right Care programme.

Agenda item 4: Finance

15. The SECRETARY OF STATE invited NHS England to provide an update on the finance position at month six.
16. The CHIEF FINANCIAL OFFICER said that with respect to the projected year-forecast overspend set out in the September meeting, projected mitigations show that NHS England is likely to break even.
17. The DIRECTOR GENERAL OF FINANCE, COMMERCIAL AND NHS asked the CHIEF FINANCIAL OFFICER to expand on the proposed mitigations.
18. The CHIEF FINANCIAL OFFICER said that proposed mitigations around depreciation may not be realised and this had been raised with HM Treasury by the DIRECTOR GENERAL OF FINANCE, COMMERCIAL AND NHS. He added that risks associated with pharmacy for 2014/15 have now been mitigated.
19. The SECRETARY OF STATE asked for an update on how NHS England will manage the projected new spend on Hepatitis C treatment. The CHIEF FINANCIAL OFFICER said that full extent of the pressures is as-yet unrealised but NHS England is looking at options to offset these and this requires ongoing dialogue with DH.
20. The DIRECTOR GENERAL OF FINANCE COMMERCIAL AND NHS commented on the good work from NHS England on reducing its central budgets and asked how work is progressing to address provider deficits. The NATIONAL DIRECTOR OF COMMISSIONING STRATEGY said that work is continuing – alongside NHS Improvement - with providers and CCGs to ensure the whole health economy plays a role in managing provider finances.

Agenda Item 5: Five Year Forward View; new care models

21. The PARLIAMENTARY UNDER SECRETARY OF STATE FOR NHS PRODUCTIVITY asked NHS England what reception the new care models programme is getting from commissioners and providers. The NATIONAL DIRECTOR OF COMMISSIONING STRATEGY replied that the programme is receiving positive reaction across the country. He said that many GP leaderships see the Multispecialty Community Provider model as a solution to recruitment challenges.
22. The PARLIAMENTARY UNDER SECRETARY OF STATE FOR NHS PRODUCTIVITY asked the NATIONAL DIRECTOR OF COMMISSIONING STRATEGY whether he was confident that the change required can be achieved. The NATIONAL DIRECTOR OF COMMISSIONING STRATEGY said that he was optimistic that the change could be achieved. He added that there is an appetite across much of the health economy to reform and the new care models programme is offering this.
23. The PERMANENT SECRETARY asked what NHS England's communication strategy was in order to effectively join up local health economies. The NATIONAL DIRECTOR OF COMMISSIONING STRATEGY said that there is a new care models board that he chairs which is focussed on developing support materials for the vanguard sites.
24. The PARLIAMENTARY UNDER SECRETARY OF STATE FOR NHS PRODUCTIVITY asked NHS England whether it was confident that it had the people in place with the right quality in order to drive the change effectively. The NATIONAL DIRECTOR OF COMMISSIONING STRATEGY said that while there was a challenge ahead, leaders in the NHS are keen to remodel care.
25. The PERMANENT SECRETARY asked whether NHS England will be working with NHS Improvement to develop planning models for implementation. The NATIONAL DIRECTOR OF COMMISSIONING STRATEGY said that the new care models board includes NHS Improvement representation.
26. The PERMANENT SECRETARY asked when NHS England expects to see whole areas joined up and a movement beyond the vanguard structure. The NATIONAL DIRECTOR OF COMMISSIONING STRATEGY said that current modelling assumptions are that this will take three years but NHS England is confident that this will be delivered faster. He added that the Spending Review outcome, and the level of front-loaded investment, will be key to the speed of delivery.
27. The DIRECTOR GENERAL OF FINANCE COMMERCIAL AND NHS said that he can see a lot of work is in progress much of which will be challenging. He asked NHS England when it

expects to see results. The NATIONAL DIRECTOR OF COMMISSIONING STRATEGY said that as vanguard sites were announced in March 2015, NHS England will have a clearer national picture by July 2016.

28. The DIRECTOR OF NHS GROUP said that the Department welcomes NHS England's intentions behind risk sharing but would like to see greater detail on how NHS England sees this developing. The NATIONAL DIRECTOR OF COMMISSIONING STRATEGY said that the proposed risk sharing would include connections between investment and efficiency.