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9 July 2019

Dr Tim Moorhead, Chair
Lesley Smith, Interim Accountable Officer
Sheffield CCG
722 Prince of Wales Road
Sheffield
S9 4EU

Dear Tim and Lesley,

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 Sheffield CCG is **Good** and I commend you on maintaining this strong level of performance.

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. The CCG annual assessment process will remain but with an increasing focus on implementation of the Long Term Plan, system performance and a greater emphasis on the contribution of individual organisations to system goals. I look forward to working with you and continuing to support your CCG in improving healthcare for your local population and the wider 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

A handwritten signature in black ink, appearing to read 'Alison Knowles', is centered on a light gray rectangular background.

Alison Knowles

Locality Director (South Yorkshire & Bassetlaw)
NHS England and NHS Improvement

Annex A

Dr Tim Moorhead, Chair
Maddy Ruff, Accountable Officer
Sheffield CCG
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Alison Knowles
Locality Director-
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12th April 2019

Dear Tim and Maddy,

CCG ANNUAL REVIEW 2018/19

Thank you to Tim and the executive team for meeting with us on 26 March 2019 for your Annual Review Meeting. The purpose of this letter is to: provide feedback on the key issues were discussed; confirm next steps for the publication of the 2019/20 Annual Performance Assessment; and outline priorities for the year ahead.

NHS England has a statutory duty to conduct an annual performance assessment of each CCG. The Government's Mandate to NHS England specifies the four headline categories to be used: Outstanding; Good; Requires Improvement; and Inadequate.

Whilst the methodology for the calculation of the 2018/19 Annual Performance Assessment has not yet been finalised, as a guide, we anticipate that the Quality of Leadership (QoL) assessment will account for 25% of the overall judgement alongside 25% for the finance domain and the remaining 50% will be made up of the indicator set focussed on outcomes for patients.

Overview of 2018/19

You provided an overview of 2018/19 in which you noted a number of successes despite a challenging 12 months. We commended you on delivering all the financial standards, and on your continued work to improve mental health services in the city. We especially noted the work on delayed transfers of care which is now showing sustained improvement due to the hard work of the partnership in the city.

You confirmed that the CCG are expecting to deliver against the control of "in year breakeven" and £15.6 million or 85% of your QIPP target. You confirmed that you have offered financial support to the Children's Hospital as part of delivering financial balance for Sheffield place.

The CCG has continued to focus on primary care development in 2018/19 with the move to the primary care neighbourhoods most of whom are at level 2 maturity in the

new national framework. The CCG is working on its strategy for out of hospital care which will build on its strengths in personalisation and include work with Sheffield Teaching Hospitals on a new blended tariff payment to support integrated pathways.

The CCG, Council and Sheffield Health & Social Care have continued to work to a tri-partite strategy to improve mental health services in the city. This has seen continued high quality delivery of IAPT services and will form the basis for the improvement work which is required in acute pathways.

The improvement in the numbers of patients delayed in hospital has helped Sheffield manage winter pressures but performance on the national ED standard remains difficult. Sheffield Teaching Hospitals concluded its Action on 95 programme in autumn 2018 and there is a need to understand what has worked and what remains to be improved so that the Sheffield system can improve before winter 2019/20. This review work will also need to encompass the CCG's strategy for urgent primary care to maximise the opportunities that your primary care hubs and extended GP access provide.

On cancer performance, Sheffield has a significant impact on the overall performance of the SYB Alliance, in terms of its role as a Cancer Centre but also due to the numbers of wholly-owned pathways for Sheffield residents. You described a clinical summit to identify the issues and develop an improvement plan. This is currently due to conclude in the autumn and we asked that you consider what actions can be taken earlier in the year to deliver improvements for patients.

We noted the importance of including NHS England's specialised commissioning function in many of these discussions and will support you in developing a more integrated approach to planning and contracting for services in Sheffield (for adults and children) in 2019/20.

Finally, we touched on the Independent Review in the latter part of the year and the work that the CCG is undertaking to respond to its recommendations.

NHS Long Term Plan and Integrated Care

We discussed the Long Term Plan, the role of the system and the Sheffield Accountable Care Partnership.

The CCG has a strong track record in personalisation and is starting to use population health strategies to drive interventions at network and locality level. This has been confirmed as a priority for the ACP Delivery Board and will have system wide benefits.

You confirmed that the Sheffield Integrated Commissioning Committee will meet for the first time within the year. This will consolidate the work on mental health and expand to include children's services. In all of this, you will look to consider how the investment in the Sheffield Outcome Fund might benefit health and care for your population.

Commissioning Reform

We discussed the future of the CCG in the context of the increasing role for the ICS, the Long Term Plan and the development of primary care networks. I confirmed that NHS England plans to work with the ICS and the five CCGs to review the commissioning structure in South Yorkshire & Bassetlaw so that, by end March 2020, resources are aligned to:

1. Leadership and delivery at system level;
2. Leadership and delivery in place, including working with local authorities; and
3. Effective primary care networks and integrated delivery.

We noted the readiness of the CCG to engage with this work given your existing role in commissioning across the system.

CCG Quality of Leadership Assessment

I thanked you for your 2018/19 Quality of Leadership Self-Evaluation and outlined the moderation process that will now be followed within NHS England. I expect the overall assessment of the CCG to be published in July, in line with the Mandate.

In conclusion, 2018/19 has been a good twelve months for the CCG. You have delivered real improvements for your population and are aware of the areas which need focus going forward. The leadership team is committed to improving and to continuing as an active partner in the city and across the wider South Yorkshire & Bassetlaw system.

Thank you for the CCG's continued commitment to delivering high quality and sustainable care for your residents.

Yours sincerely,



Alison Knowles

Locality Director – South Yorkshire & Bassetlaw

NHS England and NHS Improvement

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.

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.

7. Weightings have been determined by NHS England, in consultation with operational and finance leads from across the organisation, and signal the significance we place on good leadership and financial management to the commissioner system:
 - Performance and outcomes measures: 50%;
 - Quality of leadership: 25%; and,
 - Finance management: 25%
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:

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

Step 4: setting of rating thresholds

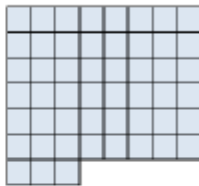
9. Each CCG’s weighted score out of 2 is plotted in ascending order to show the relative distribution across CCGs. Scoring thresholds can then be set in order to assign CCGs to one of the four overall assessment categories.
10. If a CCG is performing relatively well overall, their weighted score would 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

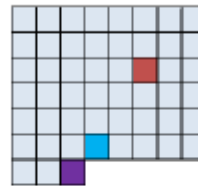
Step 1:

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.

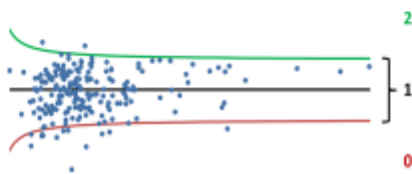


Values are derived for each CCG for each indicator. There is 1 indicator in the Finance domain and 1 for Quality of leadership.

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	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".

