NHS England

NHS Wirral CCG: Capability and Governance Review August 2014

NHS Wirral CCG Capability and Governance

August 2014

FINAL REPORT
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Contents

1 Executive summary

Background

NHS England has been working closely with NHS Wirral CCG for some time to assure that the CCG discharges its functions as there were concerns particularly in relation to:

- The leadership and development of the whole system strategy,
- Delivery of A&E and Urgent Care, and
- Relationships with stakeholders.

In May 2014 the Governing Body of the CCG requested support from NHS England and at that time both the Chair and the Chief Clinical Officer (CCO) of the CCG agreed to voluntarily step aside from their roles whilst a review was undertaken of the CCG. The terms of reference for this review are attached as Appendix 1.

The purpose of this capability and governance review is to ensure that NHS Wirral CCG can fully discharge its functions, with a core focus on:

- Governing Body capability,
- Governance, (including the structure and constitution of the CCG), and
- Senior leadership capability.

The terms of reference exclude any human resources process, which are a matter for the CCG. The review is based on 34 individual interviews with members of the CCG Governing Body, the CCG Senior Leadership Team and stakeholders, and a review of key documents. The review team were also directly approached by a small number of people who wished to contribute their views. A list of the people interviewed is attached as Appendix 2.

Context

NHS Wirral CCG serves a population of approximately 330,000 across the Wirral Peninsula. There are both rural areas and industrialised areas within 60 square miles, with significant variation in life expectancy. The CCG is co terminus with the Metropolitan Borough of Wirral.

During the first three quarters of 2013/14 the CCG was fully assured against the CCG Assurance Framework with performance at or near required national standards, however performance against the four hour A&E standard deteriorated markedly in the fourth quarter of 2013/14 and has remained well below standard. Financial performance of the CCG is in line with national expectations and it achieved the required 1% surplus in 2013/14 and is planning to achieve this in 2014/15.

A distinctive feature of the NHS Wirral CCGs profile is that its 58 member practices form three Consortia or Divisions of the CCG in a mosaic pattern rather than being based on discrete populations. Through CCG Authorisation, after an initial phase of three mosaic pathfinder CCGs, one CCG was formed across Wirral but within that three mosaic Consortia were created based on the existing pathfinder CCGs with reinforcing constitutional arrangements and significant management resource.

Review findings

The current state of CCG progress on strategy development, the need to ensure delivery of service standards today and relationships with stakeholders does constitute a reason to review the capability and governance of the CCG.

The CCG has fundamental organisational design characteristics which are manifesting themselves in all three areas of concern above. These are:

- Three CCG Consortia being mosaics of like-minded practices rather than discrete population based commissioning areas.
- The CCG Governing Body being constituted around proportionate representation from Consortia.
- No substantive CCG membership forum across the whole CCG.
- The managerial resource of the CCG being significantly invested in servicing the relatively autonomous functioning of Consortia.
- The relatively complex governance arrangements for decision making which derive from the Consortia structure.

The increasingly challenging financial environment has exposed these characteristics as being problematic for the CCG in discharging its functions.

All CCG Governing Body members and senior staff interviewed for this review largely recognised the problems manifesting from the CCG's original design. There is an encouraging consistency of views about the need to develop the CGG and free it from its own history to better serve the population of Wirral. However, progress in addressing these issues has not happened at the pace needed.

The review finds that the CCG has been working within, and increasingly not coping with, a set of organisational arrangements which are not fit for purpose. This has caused increasing difficulties in operating strategically, ensuring delivery today and sustaining relationships with stakeholders.

The review therefore finds that the capability and governance issues in NHS Wirral CCG to be primarily related to the CCG not moving at sufficient pace to pro-actively develop itself as an organisation and get ahead of the challenges it now faces.

The review finds that the Governing Body, under the leadership of the Governing Body Chair is largely aware of the need to develop the CCG but has not shown the necessary capability to assure the development of the CCG to discharge its functions. The Governing Body has expressed concern about how the organisation presently works but has not overseen the necessary processes of development to address those concerns.

The Governing Body itself is considered not to have had adequate development to fulfil its role. There is no substantive development programme in place for the Governing Body. The Chief Clinical Officer (CCO) considers that the development of the Governing Body is primarily the lead responsibility of the Governing Body Chair.

The Chief Clinical Officer recognised the challenges of the organisation's original design, and proposed incremental shifts away from the Consortia design to more CCG wide arrangements, but considered that an organisational review would distract too much from the work of today and would set the CCG back significantly. The CCO also felt change needed to come up from the membership rather than be top down.

Taken together, the CCG Chair and CCO do not demonstrate the necessary close working agreement about what needs to change in the CCG, by when, to develop the CCG, nor how the necessary leadership for this work would be provided between the two roles. The review notes that ongoing relationship between the Chair and the CCO has impacted the ability of the organisation to make progress.

The review concludes that it is unlikely that the CCG will sustainably improve its strategic and delivery position without undertaking a fundamental review of its constitution and

organisational structure, and its arrangements for member practice and public and patient engagement. The main issues the CCG may wish to consider in that review are set out below.

Recommendations:

To improve its leadership and development of the whole system strategy

1. Review the Consortia structure of the CCG to reflect the need to have whole Wirral approaches to strategic issues and within that strong connection to geographical communities coherent with partner commissioners.
2. Review the constitution of the CCG to reflect the need to strengthen ownership of strategic direction across the membership of the CCG.
3. Review the senior leadership structure to better harness the CCG's overall management resource to strategic development.
4. Secure increased programme management capability to develop and take forward a complex whole system strategy.
5. Strengthen the senior management presence in the Senior Leadership Team of the CCG capable of taking an overall leadership role internally and externally on strategic development issues.

To improve its delivery of A&E and urgent care

1. Review the present Consortia structure to strengthen common approaches to meeting the urgent care needs of the whole population while retaining sensitivity to local variation in need.
2. Develop an urgent care strategy that addresses all of the elements of the urgent care system in social, primary, community and secondary care services.
3. Revise CCG governance arrangements to strengthen the Governing Body's capability to corporately assure that investments in urgent care are evidence based and consistently assessed using common criteria across the CCG.
4. Secure a programme management resource capable of developing an urgent care strategy with commissioning partners and managing the resultant change programmes to enable present and potential providers to engage effectively.
5. Review the working relationships with Wirral University Teaching Hospital NHS Foundation Trust (WUTH) at senior leadership, operational and clinician to clinician level between the CCG and the Trust to agree a framework for how the two organisations will work together – along with the other organisations in Wirral – to develop and implement the urgent care strategy and to reflect it in future commissioning plans.

To improve relationships with stakeholders

1. Secure further external facilitation of relationship development while trust across organisations and individuals is strengthened and to enable knowledge and skill transfer within Wirral of leading whole system strategic developments can take place.
2. Address the unclear governance of delegated authority, programme management and the weak engagement of member practices in whole system strategy through Consortia arrangements as outlined in relation to leadership and development of the whole system strategy.

To improve its Governing Body capability

1. Establish an organisational development programme for the CCG Governing Body to enable it to oversee the changes that Governing Body members have indicated are needed to the organisation's structure and governance.
2. Develop the capability of the Governing Body to fully discharge its ongoing assurance role.

To improve governance

1. Urgently consult its membership and then submit an application to NHS England to amend its constitution with regard to the eligibility of the Chair and the Chief Clinical Officer roles to remove the inconsistency and contradiction within the constitution so that both roles can then be occupied on a secure constitutional basis.
2. Consider a fundamental review of its constitution including how it engages with its membership in the work of the CCG and whether there should be engagement arrangements below the level of the CCG and if so what these should be and how they relate to populations and geographies within Wirral.
3. As part of any review of its constitution consider the composition of its Governing Body and consult its membership on the method of identifying the Chair and GP representatives on the governing body.
4. Undertake a development programme with its Governing Body members that includes providing greater clarity over decision making arrangements, individual roles and responsibilities and the collective assurance role of the Governing Body.
5. Review its arrangements for engaging with practices as providers alongside the review of its constitution.

To improve its senior leadership capability

1. Review the structure of the CCG Senior Leadership Team to reflect the proposed review of the CCG structure and governance, with particular consideration of:
    - strengthening the very senior strategic management capability of the CCG;
    - securing a strategic programme management capability;
    - securing a corporate capability in investment appraisal and evaluation; and
    - strengthen the coordination of CCG capability through the development of the CCGs business planning function.
2. Review the CCG leadership of organisational development capability, supported by a revised OD plan that includes development priorities for the Governing Body and the whole of the CCG's staffing capacity.
3. Bring together the managerial resource in the central and three Consortia teams to make more effective use of the CCG's capacity.

The review recommends that the CCG agrees a time and task limited action plan with the Area Team to address the recommendations of this review.

The Area Team should agree appropriate external support to that process in agreement with the CCG and support the associated review of the CCG's constitution and organisational structure.

The CCG should remain as assured with support until that action plan is discharged in full.

2 Introduction

2.1 Background

NHS England had been working closely with NHS Wirral CCG for some time particularly in relation to

- The leadership and development of the whole system strategy,
- Delivery of A&E and Urgent Care, and
- Relationships with stakeholders.

These issues gave rise to concern that there was a significant risk that the CCG would fail to discharge its functions and that a review was needed of the issues that had been raised, in the context of the CCG assurance process. These included

- Governing Body capability
- Governance, (including the structure and constitution of the CCG), and
- Senior leadership capability

These concerns escalated recently in relation to challenging relationships within the CCG. This led to the Governing Body requesting support from NHS England and to the CCG's Chair and CCO agreeing to voluntarily step aside whilst this review was conducted. This review is separate to any Human Resources processes that may be undertaken within the CCG.

In discussion with the CGG the Area Team set out the terms of reference for a Capability and Governance Review of NHS Wirral CCG (Appendix 1).

The CCG Governing Body requested and the Chair and Chief Clinical Officer agreed to voluntarily stand aside from their roles whilst the review was undertaken. This agreement required that both officers agree to cooperate fully and openly with the review and agree not to interfere with the course of the review and not to undertake CCG related duties during the review.

2.2 Purpose of the review

The purpose of the capability and governance review is to ensure that NHS Wirral CCG has the capacity and capability to fully discharge its functions as a CCG.

2.3 Method of the review

The review was set to conclude within six weeks starting June 16th 2014.

The review is based on 34 individual interviews with members of the CCG Governing Body, the CCG Senior Leadership Team, and stakeholders, and a review of key documents. The review team were also directly approached by a small number of people who wished to contribute their views. A list of the people interviewed is attached as Appendix 2.

The interviews were structured to use the main areas of concern in relation to leadership of the whole system strategy, delivery of A&E and urgent care and relationships with stakeholders to gain insight into the causes of those concerns and identify recommendations for improvement.

The interviews also sought direct insight into:

- Governing Body capability;
- Governance, (including the structure and constitution of the CCG), and

- Senior leadership capability

The review team was asked to provide a written report to the Regional Director of NHS England (North), report back to the Area Team and feedback to the CCG.

The results of the review will inform the next steps to be taken by NHS England which may include NHS England exercising its powers of intervention.

2.4 Acknowledgements

The review team would like to thank members of the CCG and stakeholders for their willingness to make themselves available to the review, being open in their insights and constructive in their suggestions for improvement.

3 Context

3.1 NHS Wirral CCG profile

NHS Wirral CCG serves a population of approximately 330,000 across the Wirral Peninsula, bounded to the west by the River Dee, to the east by the River Mersey and to the north by the Irish Sea.

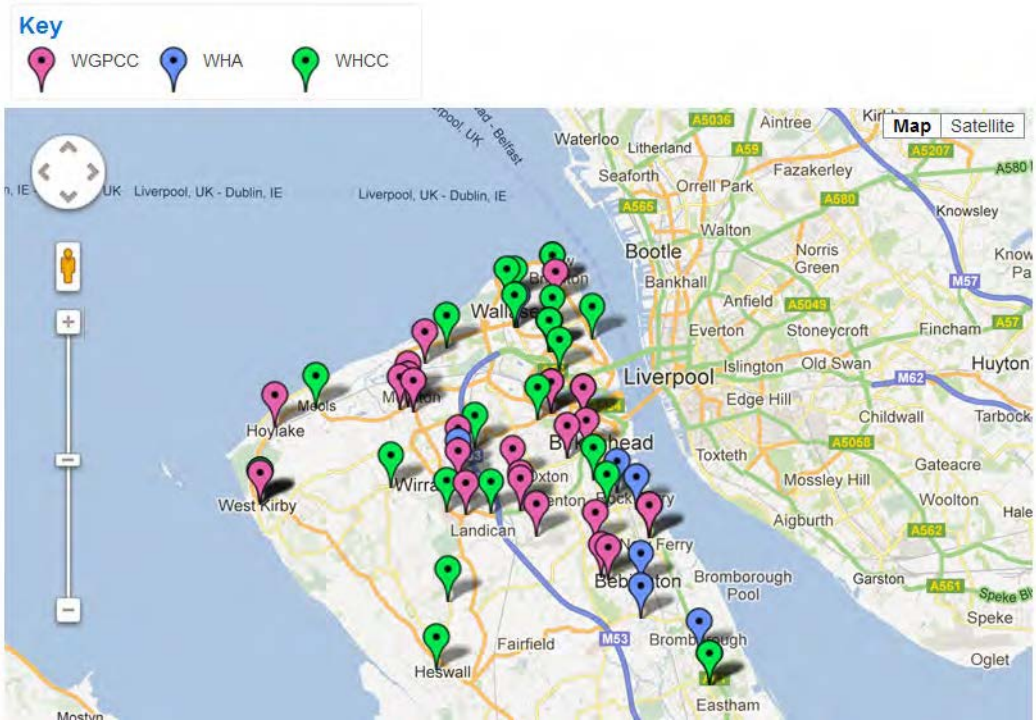
Wirral is a borough of contrast and diversity. There are both rural areas and townships and industrialised areas in a compact peninsula of 60 square miles, with significant variation in life expectancy.

The CCG is co-terminus with the Metropolitan Borough of Wirral. It presently has four main NHS secondary healthcare providers

- Wirral University Teaching Hospital NHS Foundation Trust (WUTH)
- Wirral Community NHS Trust
- Cheshire and Wirral Partnership NHS Foundation Trust
- Clatterbridge Cancer Centre.

The CCG comprises of three Commissioning Consortia (or Divisions) as listed below, with no discrete geographical boundaries between them.

Division	Number of Practices	Number of Patients (approximate)
Wirral Health Commissioning Consortia (WHCC)	25	165,000
Wirral GP Commissioning Consortia (WGPCC)	26	126,000
Wirral Health Alliance (WHA)	7	40,000



NHS Wirral CCG's Governing Body has 14 members on it comprising:

- Seven GP representatives (three from Wirral GP Commissioning Consortium, three from Wirral Health Commissioning Consortium and one from Wirral Alliance Commissioning Consortium)
- Lay advisor on audit and governance
- Lay advisor on patient and public engagement
- Registered Nurse
- Secondary Care Doctor
- Chief Clinical Officer
- Chair
- Chief Finance Officer

In addition six corporate officers and consortia chief officers attend meetings of the Governing Body together with the Director of Public Health and the Director of Adult Social Services from Wirral Council. Recently the CCG has extended an invitation to Healthwatch and the Wirral LMC to also attend Governing body meetings on a regular basis. The seven GP representatives are the three consortia Chairs with two additional representatives each from WGPCC and WHCC, drawn from their respective Boards.

3.2 Summary of Performance

During the first two quarters of 2013/14 the CCG was assessed by NHS England against the interim CCG Assurance Framework and was assured overall. At Q2 performance was seen as positive, with issues highlighted on delivery of the IAPT target. The CCG was felt to have a robust framework in place for assuring the quality of the services that it commissioned, notably in care homes. At quarter three the final Assurance Framework was in place and the CCG was assured across all six assurance domains within the framework. Although the CCG had narrowly missed several NHS constitution standards (diagnostic waits, cancer waits, ambulance response times, same sex accommodation and C.Difficile) there were actions identified that gave the CCG and NHS England confidence that the position against each would be recovered by year end.

NHS England had highlighted concerns about the progress being made with the development of the Vision 2018 strategy and Directors from the Area Team were providing support through attending programme meetings. The CCG was seen to have produced a good winter plan with a clear escalation process and performance was positive to the end of 2013.

However during Q4 performance against the A&E standard fell well below the national standard**.** The annual (Q4) assurance meeting was held in June 2014, prior to that the CCG had requested support from NHS England, the Chair and Chief Clinical Officer had voluntarily stepped aside and an interim Accountable Officer was put in place. At the annual assurance meeting the CCG was assessed as being assured with support on five of the six domains of the assurance framework.

The CCG had initial plans in 2013/14 that were based on the agreed business rules for NHS commissioners, including the achievement of a 1% surplus, on a total budget of £445.2m making the planned surplus to be £4.45m. During the planning process the CCG increased its surplus to 1.5% of its budget, or £6.58m. However due to over performance against its contract with WUTH in 2013/14 the CCG did not achieve this target but did finish the year end having achieved above the required 1% surplus with a position of £4.75m and NHS England was assured of the CCG's financial position. In planning for 2014/15 the CCG has set a budget of £468.2m that achieves the business rules, including the 1% surplus of £4.7m.

NHS England's assurance view after Quarter 1 is that the CCG should achieve its financial plans in 2014/15 but that the CCG's underlying financial position is tightening, it has in the past had access to significant reserves and non-recurrent funding, and its current QIPP plan is not underpinned in full by clear plans that give confidence of delivery. Together these provide a challenge to the CCG as it plans for 2015/16.

3.3 Summary of CCG formation

A distinctive feature of the NHS Wirral CCGs profile is that its 58 member practices form three Consortia or Divisions of the CCG and that each takes a mosaic pattern rather than being based on discrete populations.

Through CCG Authorisation, after an initial phase of three mosaic pathfinder CCGs, one CCG was formed across Wirral but within that, three mosaic Consortia were created with reinforcing constitutional arrangements and significant management resources. One reason why mosaic pattern CCGs were not supported at the time of authorisation was the importance given to ensuring a coherent geography for commissioning services such as urgent care for a population.

NHS Wirral CCG asks the Consortia to undertake most commissioning work with their own patients and practices. The CCG states that this arrangement recognises that the health priorities in one part of Wirral are not necessarily the same as in another and believe that the smaller Consortium groups can be more responsive to their members and the public.

The review heard a consistent set of other contributing historical factors in the formation of the CCG in April 2013 which may still set an important context for the CCG working effectively and particularly the strategic leadership challenges the CCG now needs to address. In summary, alongside recognition of the need to sensitively meet the needs of local practice communities, from prior to the formation of the CCG, there had been differences between practices in their approach to commissioning, relationships with providers, and different leadership styles. A commonly used contextual phrase to describe the reason for the Consortia groupings is that they were groups of like-minded GPs.

4 Leadership and development of the whole system strategy

4.1 Current state of progress

Within Wirral the Council and the NHS organisations have set up a strategic change programme under the name of Vision 2018, with a shared goal of ensuring that the residents of Wirral enjoy the best quality of life possible, being supported to make informed choices about their care and being assured of the highest quality services.

A Vision 2018 Programme Board was set up in 2013 involving senior colleagues from the council, the CCG and NHS providers. The Board was chaired by the Chief Clinical Officer (CCO) of the CCG.

Most external stakeholders speak of good early steps to engage and identify the broad intent of Vision 2018 during 2013. Wirral Council had established a Strategic Commissioning Group with the CCG, which contributed to the development of the Vision 2018 work. This was focused on key priorities for both organisations and how to link with partners. The early use of the Advancing Quality Alliance (AQuA) and the King's Fund was recognised as constructive.

Since then the pace of developing the whole system strategy is widely perceived both within the CCG and externally to have been slow.

Within the CCG Governing Body and Senior Leadership Team members generally feel that engagement and ownership of the strategy by member practices is variable and low overall, with relatively weak two way communication on strategic issues between the central CCG team and member practices.

Internally and externally to the CCG there is wide consensus that below the high level vision there is not a clear enough set of joined up transformational programmes which would deliver the vision. There are many specific initiatives such as specialty improvements – with a particular focus on dermatology and rheumatology - which, although valid in themselves, do not constitute the major transformational programmes needed to meet the strategic challenges the health and social care system now faces.

External stakeholders particularly identify as a concern the lack of clarity of the implications for providers. They would welcome more certainty about the commissioning process and timescales by which the strategy will be taken forward, allowing reasonable preparation for healthy and robust challenge. The focus of commissioning intentions from the CCG for 2014/15 on specific specialities rather than on setting out the first stages of the strategic vision is of particular concern to NHS Providers. As an example, Wirral University Teaching Hospital NHS Foundation Trust (WUTH) recognised the need for redesign of the local care delivery system and had proposed significant changes in the hospital bed base over a five year period, summarised as 'Hospital Without Walls'. However, the Trust also noted it had not been effectively involved in the initial Better Care Fund proposals and its impact on the hospital, and was unclear of the practical steps in the commissioning plan for the whole system within which it could effectively plan as an organisation.

4.2 Causes

Several external stakeholders feel the present organisational design of the CCG is not conducive to working at a strategic level with partner commissioners and providers across a whole system. The CCG's Consortia structure tends to promote smaller scale initiatives

within Consortia rather than ownership of whole system strategic approaches across the CCG. Stakeholders are uncertain in knowing who has authority to act within the CCG between the Consortia and the central CCG team, or within the central leadership team.

Within the CCG there is wide recognition that having three Consortia with relatively high levels of autonomy results in the senior leadership resource of the CCG being split between a central CCG Leadership Team and the Consortia Leadership Teams. Consortia Teams feel relatively distanced from much of the strategic work of the CCG to take Vision 2018 forward. It was noted that the CCG has had no person with overall responsible for strategy other than the Chief Clinical Officer.

Several external stakeholders reflected that the CCG does not presently have a programme management approach that is fit for the purpose of taking forward major transformational change in partnership across a whole system, both in terms of systematically building ownership of vision based on evidence and strategy and then setting out the management of change process to take the vision forward.

Some external stakeholders felt uncomfortable with how work on Vision 2018 was at times presented for their information rather than as the starting point for a discussion on a joint approach to tackling issues faced.

4.3 Improvements

Both externally and within the CCG there is a consistent view that the Consortia structure and the related governance needs to be reviewed to enable the CCG to develop one united strategic voice rather than three Consortia voices. Specifically, externally and internally people on the whole said that an engagement and commissioning structure within the CCG based on discrete geographies and populations would better facilitate whole system commissioning across organisations.

The CCG Senior Leadership Team recognises the need to review how the overall management resource of the CCG is better harnessed to strategic system work, with clearer governance of delegation and authority to act.

Both externally and within the CCG there is a consistent proposal that the CCG should create a far stronger programme management capability fit to develop a vision with strategic partners across Wirral and manage the complex programme of change which results.

Particular emphasis was placed on the CCG developing its capability to lead at a strategic level with the confidence of member practices and external stakeholders.

4.4 Review findings

CCGs across England are striving to meet the significant challenge of working with partners across health, social care and wider local government, achieving best use of combined resources for the populations they serve. CCGs with favourable resource histories such as Wirral now need to transform their local health and social care delivery systems to meet the needs of their populations within the resources available. This is challenging work for all CCGs.

The review finds that the current state of progress of the whole strategy system in Wirral is at a relatively early stage in terms of the clarity and ownership of the overall vision, the agreement of the major transformational programmes which would drive the vision forward and particularly the management of change programmes would give stakeholders clarity about commissioning path ahead and enable them to plan for the challenges ahead. The

limitations of the CCG commissioning intentions for 2014/15 reinforces that view. However, the review notes that Wirral has not been identified as a distressed health economy nationally and that overall the state of relationships with local government commissioners and NHS providers remains positive, recognising the challenging relationship between NHS Wirral CCG and WUTH. It notes the consistent willingness of those interviewed to improve and the progress being made by recent externally facilitated support to rapidly establish increased confidence across the system. It also notes that the senior management of the CCG Consortia has recently been deployed to strategic work in ways in contrast to how the CCG had previously been operating, although there had been increasing involvement of Consortia leads in CCG wide contracting activity.

While many interviewees both internal and external to the CCG explained the history of how the CCG was formed with three Consortia, none indicated that it was now fit for future purpose. The review agrees. The review notes that the CCG Authorisation site visit report said that "the CCG should consider having an ongoing review of their organisational design to make sure that it is fit for purpose, and may benefit from additional support to do this." The review found no evidence of an action plan that addressed the developmental issues identified by the site visit panel.

In relation to the relative autonomy of the three Consortia, this has made the production of a clear overall direction for the CCG difficult. The grouping of GPs practices in a mosaic of like-minded practices rather than representing discrete populations is fundamentally challenging to being able to work effectively at a strategic level, both within the CCG and with partner commissioners, striving to achieve best use of combined tax funded resources in meeting the needs local populations.

The ability of a CCG to sensitively commission to meet the needs of the whole population it serves, especially hard to reach groups and the most vulnerable is significantly dependent on having a population focus driving its decisions. A focus of the concerns of Primary Care practices as providers, while needing to be addressed, does not meet this commissioning test. The present Consortia make this distinction unnecessarily complex.

The review finds that the absolute state of the leadership and development of the whole system strategy is a concern with the distinguishing feature of NHS Wirral CCG being that the present organisational structure, derived governance arrangements and use of senior leadership capacity and capability are increasingly not fit to meet the challenges of whole system strategy development. The review finds that the CCG is unlikely to be able to make the strategic progress it desires if it does not address these issues.

4.5 Review recommendations

To improve its leadership and development of the whole system strategy, NHS Wirral CCG should:

1. Review the Consortia structure of the CCG to reflect the need to have whole Wirral approaches to strategic issues and within that strong connection to geographical communities coherent with partner commissioners.

2. Review the constitution of the CCG to reflect the need to strengthen ownership of strategic direction across the membership of the CCG.

3. Review the senior leadership structure to better harness the CCGs overall management resource to strategic development.

4. Secure increased programme management capability to develop and take forward a complex whole system strategy.

5. Strengthen the senior management presence in the Senior Leadership Team of the CCG capable of taking an overall leadership role internally and externally on strategic development issues.

5 Delivery of A&E and Urgent Care

5.1 Current state of progress

During the last quarter of 2013/14 and moving into the first quarter of 2014/15 the Wirral health system has experienced significant challenge in relation to the A&E four hour waiting time standard in the NHS constitution, achieving 92.7% in Q4 and 91.1% in Q1. Within these figures, performance at the Type 1 A&E was 90.5% at Q4 and 88.5% at Q1.

Performance over the past two years is summarised in the following table:

Year	Quarter	Percentage of patients waiting four hours or less
2012/13	Q1	95.4
	Q2	95.4
	Q3	95.1
	Q4	91.4
2013/14	Q1	95.4
	Q2	95.3
	Q3	95.2
	Q4	92.7
2014/15	Q1	91.1

The CCG and external stakeholders identify a balance of reasons for recent challenges within Wirral Hospital University Teaching Hospital NHS Foundation Trust (WUTH) and across the Wirral health and social care system.

Challenges in meeting the A&E standard within WUTH were recognised by the Trust to include internal flow issues, capacity problems in securing senior clinical decision makers at the front door of the hospital and the closure of significant bed capacity because of staffing levels of unfunded services that had contributed to push the trust into financial difficulties.

Challenges across the wider health and social care system were consistently recognised within the CCG and across external stakeholders. These focus on the whole system ability to avoid unnecessary attendance at A&E and to discharge effectively. Most recognised the lack of a coherent overarching urgent care strategy for Wirral. Within the CCG it is recognised that there are more than 120 schemes related to improving Urgent Care. Concerns were expressed within the CCG and by external stakeholders that these schemes are often based on small areas or individual practices within Consortia and that their effectiveness in diverting patients from A&E was not clear enough.

5.2 Causes

The relationship between the CCG central Senior Leadership Team and the WUTH is seen to be in need of development by both parties.

In summary, WUTH indicates that the CCG has tended to focus on managing the hospital, rather than the redesign of the whole system and that the CCG has predominantly taken the view that the Trust is a hospital that needs to make itself smaller, rather than the challenge being a whole system responsibility to ensure sustainable services. The CCG recognises the whole system challenge but feels that the Trust has significant room to improve its internal performance by its own actions.

A common theme across CCG Senior Leadership Team members and Governing Body members was that individual practices had worked hard to improve local patient flows but they were not sufficiently part of an overall strategy. It was also a common theme that historically Wirral PCT and its predecessors had supported multiple initiatives and models that were not seen as coherent or universal across Wirral.

Some CCG Senior Leadership Team members and Governing Body members felt that the processes of approval of new urgent care schemes on the basis of evidence and the evaluation of existing schemes needed strengthening. It was felt that an emphasis on development and evaluation within Consortia led to a lack of overall coherence for the public accessing services and difficulties in ensuring that investments were having a system wide effect that would enable a whole system transformation to take place.

Some individual initiatives were also not seen as being focussed on the major challenges facing urgent care, including improving care for older people with multiple long term conditions.

5.3 Improvements

Within the CCG there is a common view of the need to develop a strong programme management capacity in the CCG to bring together a coherent urgent care strategy as a major element of the overall whole system strategy.

Some CCG Senior Leadership Team members felt senior clinical leads and managers across the CCG should be more empowered to lead. At present some Consortia based senior leaders and clinical leaders felt a separation from the central CCG leadership team.

Across the CCG and external stakeholders a common theme was the need to review the Consortia structure to reduce the development of many separate practice based initiatives and increase the development of system wide, evidence based urgent care programmes that the population can consistently access with a more coherent service offer for Wirral residents.

Some CCG Governing Body members suggested strengthening the CCG's evidence based assessment and evaluation of developments capacity and related governance arrangements. It was noted the present Approvals Committee primarily focused on potential conflict of interest. The present arrangements had schemes primarily developed and evaluated within each Consortia and little or no evaluation is carried out of the services by the CCG centrally. Schemes that were funded in the past with non-recurring money were reported as at times continuing after the identified time period had concluded but without a full evaluation.

The CCG and external stakeholders proposed further strengthening the CCG relationship with WUTH.

5.4 Review findings

The review recognises that recent challenges in meeting A&E standards across Wirral result from a balance of factors both within the WUTH and across the wider health and social care

system. The scope of the review is to look at how the capability and governance of the CCG is affecting its effectiveness.

The review finds that the CCG has a relatively fragmented approach to avoiding unnecessary admissions to A&E services. It has a significant number of relatively small scale and varying approaches developed within each Consortia. The development of a coherent whole system approach to urgent care as a major element of redesigning the care delivery system across Wirral is at an early stage.

The review finds that the CCG has not developed a coherent understanding of how the effectiveness of existing urgent care schemes is identified, including varying approaches being taken in each Consortia.

The review finds that the present situation is driven by:

- The CCG constitution and governance arrangements supporting urgent care developments being taken forward within each Consortia with relatively weak corporate challenge processes within the CCG.

- The Senior Leadership Team separation between Consortia and the central CCG reduces the capability of the CCG to undertake strategic development of a whole system approach to urgent care.

5.5 Review recommendations

To improve its delivery of A&E and urgent care NHS Wirral CCG should:

1. Review the present Consortia structure to strengthen common approaches to meeting the urgent care needs of the whole population while retaining sensitivity to local variation in need.

2. Develop an urgent care strategy that addresses all of the elements of the urgent care system in social, primary, community and secondary care services.

3. Revise CCG governance arrangements to strengthen the Governing Body's capability to corporately assure that investment proposals in urgent care are evidence based and consistently assessed and evaluated using common criteria across the CCG

4. Secure a programme management resource capable of developing an urgent care strategy with commissioning partners and managing the resultant change programmes to enable present and potential providers to engage effectively.

5. Review the working relationships with WUTH at senior leadership, operational and clinician to clinician level between the CCG and the Trust to agree a framework for how the two organisations will work together – along with the other organisations in Wirral – to develop and implement the urgent care strategy and to reflect it in future commissioning plans.

6 Relationships with stakeholders

6.1 Current state of progress

Stakeholders in Wirral Council recognise a positive shift in partnership working over the last year dating to the run up to the establishment of the CCG in April 2013 and that this has continued since then. A move from three pathfinder CCGs to a single CCG was seen as a factor in the improvement. They reflect that these partnerships are evolving and strengthening. Good progress has been made on the Better Care Fund and the work on integration of local health and social care provision with local NHS provision including GP Practices.

Stakeholders in Wirral Council reflected the good intent and passion of both the CCG Chief Clinical Officer and Chair and note their regular attendance at the Health and Wellbeing Board, Scrutiny Committees and other council fora.

Beneath the overall intent, colleagues from the Council also reflected the need to see an integrated approach to commissioning across the whole commissioning spend across Wirral and a better understanding of investment and how it can be aligned. They reflected a relative lack of clear vision and who needs to do what by when, with providers and commissioners not being clear about agreement on shorter terms steps.

The Council noted the need for it to be easier to understand what the CCGs challenges are, as well as the specific NHS Trust challenges, with new joint processes of sharing intelligence and planning needed to do that.

NHS providers reflected a wide range of perspectives on the current state of relationships with NHS Wirral CCG.

A common theme was that there were many good people in the CCG who had good relationships with partners at a personal level and reference was made to there being a good leadership culture most of the time, in the sense of wanting whole system success.

All NHS providers expressed some degree of concern about the lack of clarity on the route from A to B beneath the overall intent which did not support certainty and trusting relationships. This was most immediately felt by WUTH.

NHS provider concerns about the state of relationships also included the importance of getting clarity on what models of care best meet the population's needs and that meeting these should be the main focus for the CCG, with primary care provider considerations as a subsequent issue.

A common theme with NHS providers was a lack of confidence in knowing who has delegated authority in the CCG beyond working directly with the Chief Clinical Officer. Within the Senior Leadership Team there was uncertainty over what delegated authority they had been given by the CCO for working with partners.

Looking at relationships across all organisations in the system as a whole, some concerns were expressed about a lack of real confidence in there being a transparent whole system agenda rather than bilateral relationships, resulting in a lack of confidence across the system.

Views within the CCG aligned with the views expressed by stakeholders in emphasising the poor state of relationships with Wirral University Teaching Hospitals NHS Foundation Trust and within that the relatively challenging personal relationship between the Trust's Chief Executive and the CCG Chief Clinical Officer.

6.2 Causes

Stakeholders identified the lack of CCG programme management capability already referenced in relation to strategic leadership of the whole system strategy as a key driver of uncertainty in relationships with stakeholders.

The uncertainty of delegated authority arrangements within the CCG beneath the personal leadership and decisions of the Chief Clinical Officer was seen to impact adversely on relationships.

6.3 Improvements

Stakeholders strongly referenced recent external facilitation of the whole system as having quickly begun to set the conditions for more certain and trusting relationships across Wirral.

Stakeholders recognised the need to address the programme management capability of the CCG and for the CCG to be clearer on delegated authority.

6.4 Review findings

All complex health and social care systems face testing relationships as they strive to transform services for local people and meet the delivery challenges that arise with today's services. The distinguishing feature is the maturity with which those challenges are addressed. Overall the review finds that the present state of relationships is fragile, particularly with WUTH. Relationships with Wirral Metropolitan Borough Council have improved compared to the position prior to the CCG, with the Council making a concerted strategic contribution to improve whole system commissioning.

The review notes the galvanising effect on relationships of the recent external support secured to improve working relationships within the Vision 2018 programme. The recent setting up of a Strategic Leadership Group was seen as positive by all partners.

The review finds that while there is a balance of constructive and challenging bilateral relationships between NHS Wirral CCG and stakeholders. Addressing the present relatively low level of trust in relationships across the system is an essential pre-requisite to both developing a whole system strategic plan across Wirral and going on to implement it. It is considered unlikely in the present circumstance that the local system would successfully facilitate its own development at the pace needed.

The review finds that the present organisational arrangements of the CCG drive many of the challenges identified with relationships, especially the unclear governance of delegated authority, the limited resource of programme management and the weak engagement by the CCG with member practices in developing the whole system strategy.

Associated with this is a lack of clarity both externally and internally over the role definition between the CCG Chair and CCO concerning responsibilities for decision making and their contribution to strategy and contracting issues.

6.5 Review recommendations

To improve relationships with stakeholders NHS Wirral CCG should consider:

1. Secure further external facilitation of relationships development while trust across organisations and individuals is strengthened and to enable knowledge and skill transfer within Wirral of leading whole system strategic developments can take place.

2. Address the unclear governance of delegated authority, programme management and the weak engagement of member practices in whole system strategy through Consortia arrangements as outlined in relation to leadership and development of the whole system strategy.

7 Governing Body Capability

Drawing on the insights gained from reviewing the major concerns of risk of failure and views of the CCG Governing Body Members and Senior Leadership Team, this section looks directly at the capability and capacity of the CCG Governing Body.

The governance arrangements of the CCG derived from its structure impact directly on the overall capability and capacity of the CCG Governing Body. These issues are addressed in Section 8. This section considers its capability in the present arrangements.

7.1 Review findings

7.1.1 Strategic direction and decision making

Governing Body members were not able to express a clear and consistent understanding of the CCG's strategy within Vision 2018. A broad intent to move care out of hospital and closer to home were commonly expressed. Governing Body members could not consistently identify the major elements of taking that intent forward, nor how they would be implemented.

Several Governing Body members felt they had not been meaningfully engaged in the development of Vision 2018. It was noted the CCG's Chief Financial Officer had been tasked with pulling the strategy together in relative isolation. In this situation some Governing Body members did not feel they were in a position to assure the CCG's strategic direction.

The review finds that the Governing Body overall was aware of the challenges that the CCG faces in relation to strategic direction and decision making processes through which the strategy has been developed.

7.1.2 Ensuring accountability

Governing Body members reflected a variable picture. While recognising that issues such as performance were regularly reported and looked at in detail at the Quality, Performance and Finance Committee, members not on that committee did not feel adequately briefed to be assured.

Some members reflected that the most important or challenging issues do not get sufficient consideration at the Governing Body for them to assure the overall direction, nor to be assured that others are addressing them effectively. Some members expressed concern that the Governing Body was reacting to what the Operations Group and Senior Leadership Team put on the Governing Body agenda more than standing back and assessing what should be on the agenda to be able to assure accountability.

A much quoted recent example was the proposal and process for improving Primary Care Access following which an extraordinary Governing Body was called that resulted in the scheme being paused for further review indicating the Governing Body had not effectively assured itself of the proposal nor the process of taking it forward prior to that. The review finds that the CCG Governing Body is aware of the challenges in ensuring accountability.

7.1.3 Shaping the culture

Governing Body members expressed a common theme that the Governing Body has not effectively shaped the culture of the CCG due to the structure of the three Consortia. They described that the Consortia engage with member practices with the central CCG team being less connected to the membership and that the three Consortia dealt with practices differently in terms of commissioning and primary care provider issues.

Governing Body members recognised that the culture of the organisation needed development in relation to being a membership organisation, with there being less feeling of belonging to the CCG by practices than would be hoped for in a Wirral wide organisation. A number of people commented that there was a perception amongst practices of Wirral having three CCGs rather than one CCG.

Some Governing Body members felt that the Governing Body should be a forum for healthy challenge but the culture was that disagreements were not always voiced and it was often what was not being said that was important.

The review concludes that the Governing Body is well aware of the cultural challenges facing the CCG.

7.1.4 Quality of intelligence

Governing Body members commonly felt that performance data was accurate.
Information on the causes of performance challenges and proposed solutions was felt to be less clear at the Governing Body, recognising that the Quality, Performance and Finance Committee did have more scrutiny of these issues.

While overall information was felt to be timely, examples were given of information being late or papers tabled resulting in the Governing Body not feeling it could be assured of proposed actions. A recent example of the lack of clarity in relation to intelligence was the Wirral University Teaching Hospitals NHS Foundation Trust contract. Governing Body members asked for more information before it could assure a decision given related information was tabled as private business and was felt to be not sufficient. Some Governing Body members subsequently learnt that an offer had been made without the issue returning to them**.**

The review finds that Governing Body Members are aware of the challenges in relation to assuring the quality of intelligence.

7.1.5 Engaging stakeholders and making accountability real.

Views were expressed that externally the CCG Governing Body was welcoming members of the public with the example that the Chair was open and honest with the public at the recent Primary Care Access extra-ordinary Governing Body meeting. The central CCG team was increasingly engaging with groups and organisations that operate across Wirral. It was also noted that within the Consortia there were strong links to practice patient groups, but these did not engage the public consistently on strategic issues nor necessarily connect with hard to reach groups not well connected to practices. Also due to the Consortia arrangements the CCG did relatively little direct engagement with people resident in Wirral, although this was

increasing. Views generally were that patient and public engagement was variable and could be improved.

Governing Body members identified that links between the Governing Body and GPs in practices was weak. The recent 360 degree survey showed a significant reduction in the confidence of GPs in the CCG. The survey was conducted between 12 March 2014 and 8 April 2014. Seven of the eight questions in the survey that are comparable between 2014 and last year showed a deterioration in the level of satisfaction with engagement, listening to views, working relationships, skills and experience of leadership and delivering plans and priorities. Of the 17 questions new to the survey NHS Wirral CCG had a lower finding than other CCGs nationally in 12 of them. The percentage of respondents who said that they felt engaged by the CCG to a great deal/fair amount fell from 84% to 63%; the rating of working relationships with the CCG rated as very good/fairly good fell from 88% to 56% and the confidence in the CCG's leadership to deliver plans and priorities fell from 72% strongly/tending to agree to 42%. The only positive response, of the 25 questions, highlighted by the survey was that the percentage of respondents strongly agreeing/tending to agree that there was clear and visible leadership of the CCG was broadly the same in 2014 as in the previous survey. There was a high response rate to the survey of 72% overall, rising to 80% from member practices.

The Wirral Local Medical Committee shared with the review the results of a survey that it conducted in June 2014. Of 55 respondents, 51 (93%) said that they had concerns about the current state of NHS Wirral CCG. Within that total 48 (87%) said that they were not happy with the current structure of the CCG. Of those 48, a clear majority of 43 (90%) said that they would prefer one CCG without divisions.

Governing Body members reflected the variable state of relationships with stakeholders summarised in section 6.

The review concludes that Members of the Governing Body are aware of the challenges in relation to engagement and accountability.

7.1.6 Developing the capability of the Governing Body

After the preparation of an Organisational Development Plan for CCG Authorisation, members of the Governing Body commonly do not feel that there has been a substantial development programme for the Governing Body, and cannot identify a revised and refreshed plan which is now being actively progressed.

While there have been organisational development meetings and inputs from, for example Mersey Internal Audit, this has not addressed major issues such as how to take forward whole system change.

Many Governing Body members commented on the absence of development sessions or informal Governing Body meetings that could be used as an opportunity to gain greater understanding and coherence on strategic issues and build the relationships within the Governing Body.

While Governing Body members have had individual appraisal meetings with the CCG Chair, CCO or their Consortia Chair, there was a concern from some members that they did not have clear responsibilities in their Governing Body role nor a Personal Development Plan that addressed the roles as members of the Governing Body.

The review finds that the CCG Governing Body is aware of the challenges that the Governing Body faces in terms of addressing its own development.

7.2 Review Findings

The Governing Body is aware of the challenges it faces and the improvements needed, however it has continued to operate within the existing arrangements rather than show the capability to use its role to assure processes are in place to develop the CCG and move it forward.

The review finds that the Governing Body has not had adequate organisational development as a whole or as individuals to enable it to fully discharge its responsibilities.

7.3 Review recommendations

To improve its Governing Body capability NHS Wirral CCG should:

1. Establish an organisational development programme for the CCG Governing Body to enable it to oversee the changes that Governing Body members have indicated are needed to the organisation's structure and governance.

2. Develop the capability of the Governing Body to fully discharge its ongoing assurance role.

8 Governance

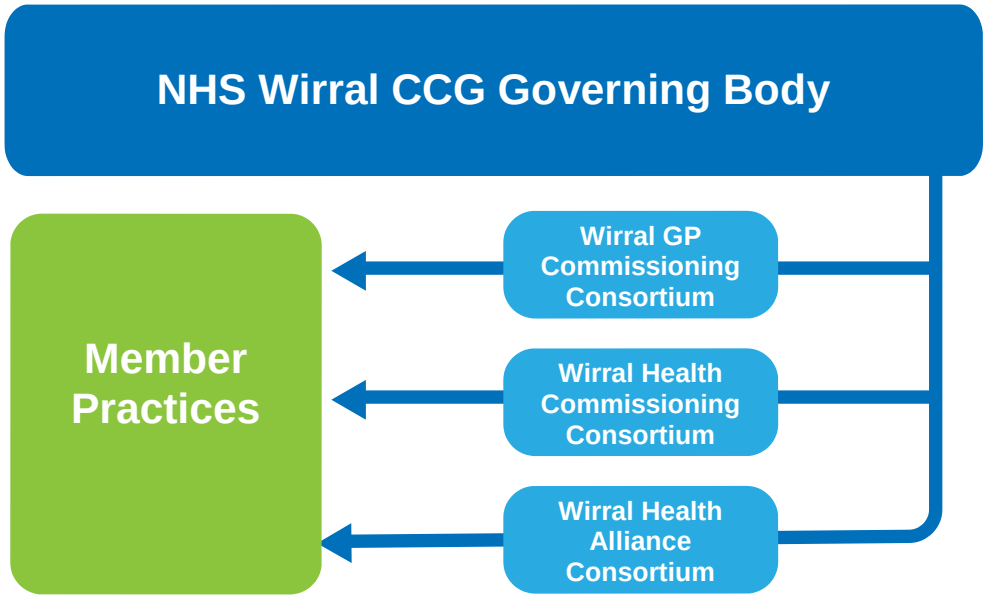
Drawing on the insights from the CCG and external stakeholders, and considering documents that were accessed during the review, this section sets out findings with relation to the governance of the CCG. Before the review started an allegation was made to NHS England that the CCG's Chair had not been eligible for re-election in March 2014. This section also addresses this issue.

8.1 Review findings

8.1.1 The constitution of the CCG

At authorisation, the CCG's constitution was assessed as meeting the necessary statutory requirements. Although the statutory requirements are addressed there are several contradictions and inconsistencies within the discretionary elements of the constitution, including the eligibility requirements for the Chair and Chief Clinical Officer, the arrangements for re-election of the Chair and the link between those two posts and the GP representatives/consortium GP leads on the Governing Body. The CCG is also unusual in reserving the election of the Chair to a secondary electorate of the GPs on the Governing Body rather than involving either all Governing Body members or the CCG membership as a whole.

8.1.2 The Consortia structure



The membership of a CCG may of course choose to have a locality structure as part of its constitution. The review found that the three Consortia within Wirral function in effect as mini-CCGs with the CCG as a whole acting more as a holding company. The three Consortia each have their own boards, Chairs, Chief Officers often with committees and have separate terms of reference. According to the constitution, each Consortia assumes responsibility for its allocated commissioning budget for its registered population. Consortia have had funds delegated to them for consortium specific developments but these allocations have gradually been reduced by the CCG.

8.1.3 Engagement with member practices

The review found that the CCG had weak mechanisms for engaging with its member practices. It would appear that there has been very few Wirral wide meetings of practices initiated by the CCG since authorisation and there are weak formal communication processes between the CCG and its individual practices. There is no Wirral wide member forum built into the constitution. However a Primary Care Summit was initiated after the negative response to the primary care access scheme. Engagement with members is expressly reserved to the three Consortia. However this does not seem to have been an effective arrangement as evidenced by the issues highlighted when the primary care access scheme was introduced. The CCG appears to have created challenges in having delegated its engagement responsibilities to the three Consortia but to then not have very effective ways of harnessing the views of the members of the Consortia.

8.1.4 Election of GP representatives

There are seven GP representatives on the Governing body (also described in the constitution as consortium GP leads), one from Wirral Alliance Commissioning Consortium, three from Wirral GP Commissioning Consortium and three from Wirral Health Commissioning Consortium. The constitution makes provision for the GP representatives to be identified by the three Consortia Boards. It does not make provision for the membership of the CCG as whole to be involved in the selection of the seven representatives. The process for identifying GPs on the Governing Body is a decision for the membership of a CCG but the secondary electorate used within Wirral is not seen in many, if any, other CCGs where either an open application and selection process or nomination and election by the wider

membership are models that are employed. As noted above the CCG is also unusual in not involving its Governing Body or the CCG membership as a whole in the election of the Chair.

8.1.5 The assurance role of the Governing Body

There were mixed views expressed by members of the Governing Body over the amount of scrutiny and challenge at Governing Body meetings. We heard concerns expressed that the operation of the Governing Body could be more open and transparent. A number of members observed that decisions seemed to be taken prior to coming to the Governing Body, with the role of the Governing Body described by several as being more of a rubber stamp. There were also observations that the representatives of the three Consortia were expected to represent the views of their Consortia rather than to take a corporate role on behalf of Wirral as a whole. It was not fully clear from the conversations with Governing Body members as to where the independent view of the CCG, which should be part of the Governing Body's role, was coming from.

8.1.6 The roles on the Governing Body

Several members of the Governing Body felt that their role had not been well defined in terms of responsibilities for NHS Wirral CCG as a whole. The OD plan for the Governing Body has not been reviewed and revised since authorisation and no members that we interviewed appeared to have a personal development plan in their role as a member of the Governing Body. This was compounded by the GP representatives on the Governing Body having their appraisal carried out by the Chair of the Consortia rather than the Chair of the Governing Body or the Chief Clinical Officer. The overall impression is that the Governing Body has not been helped to develop as a cohesive group that is clear about its roles and responsibilities.

8.1.7 The executive processes

Reference was made to the Operations Group that brings together the Chair, Chief Clinical Officer, three Consortia Chairs, three Consortia Chief Officers, Chief Finance Officer, Head of Quality and Performance and the Head of Corporate Affairs. Several members of the Governing Body who were not members of the Operations Group saw this group as where decisions were mostly taken within the CCG. Many people who were on the Operations Group described it as a body that was not structured well and had little decision-making abilities. Other group members felt that it was where decisions were made. The locus of decision making within the CCG was not clear. It is also unusual for the Chair of a CCG to be involved in an Executive Group. Several people from inside and outside of the CCG said that the distinction in the roles and responsibilities between the Chair and the Chief Clinical Officer was not clear, nor who were the main decision makers within the CCG or to what extent decision making was devolved by the Chief Clinical Officer to others within the organisation.

8.1.8 Managing conflicts of interest

The CCG would appear to have arrangements in place for managing conflicts of interest through its Approvals Committee, although these relate to proposals for new developments rather than evaluation of implemented schemes. An observation is that a great deal of energy on the part of the leadership of the CCG and the Consortia is placed on developing services within individual primary care providers, which leaves less space for the CCG to develop its approach to commissioning for the whole of the population of Wirral.

8.1.9 The Committees of the Governing Body

The CCG has the required Audit and Remuneration committees and also has an Approvals Committee that examines proposals for new developments and that manages conflicts of interest. A Quality, Performance and Finance Committee brings those three issues together and appears to be functioning effectively. A Clinical Strategy Group (CSG) is also a committee of the Governing Body and has the remit of overseeing QIPP work, strategic commissioning and engagement with partners and stakeholders. Several respondents questioned the effectiveness of the CSG**.**

8.1.10 Eligibility of the Chair for re-election

The constitution has been reviewed and legal advice obtained by NHS England. The constitution has eligibility requirements for the Chair including that the candidates be consortium GP leads. The constitution also makes provision for the Chair to be re-elected, without limit. Wirral's Chair was identified prior to authorisation and the initial term expired in March 2014. The incumbent was nominated and was re-elected to a new four-year term, with votes from all eligible electors (the other GPs on the Governing Body). Prior to this, in December 2013 a paper was circulated to the Governing Body proposing a new method for electing the Chair (said to be a move to election by the membership as whole) with the suggestion that the Chair's term be extended by six months so that the constitution could be changed. This was not supported by the Governing Body at its January 2014 meeting and it was agreed to progress with an election process by March 2014.

The review of the constitution confirmed that eligible candidates for the Chair role must be Consortium GP leads. However the constitution also confines the Consortium GP lead role to the seven GP representatives of the Governing Body, thus making it impossible for the Chair to be a consortium GP lead. The constitution also enables an incumbent Chair to be re-elected. The constitution is therefore inconsistent and contradictory.

This is a very unsatisfactory situation but a CCG's Governing Body does not have the ability to ignore its constitution. It cannot have been the CCG's intent prior to its establishment to make it impossible for a Chair to be re-elected, as they have made provision for this in the constitution, but by having the Chair as a role in addition to the seven GP representatives they have made it impossible for incumbent Chairs to meet the eligibility requirements.

On reviewing the constitution it was observed that the eligibility requirement for the Chief Clinical Officer also includes that they be a consortium GP lead. The Chief Clinical Officer is not one of the seven GP representatives on the Governing body (who are defined as the consortium GP leads by the constitution). Advice was also obtained on this point. The issues are similar to those for the Chair. The requirement for the CCO is that they meet the eligibility requirement, including that they be a consortium GP lead. This has the effect that it can be argued the CCO cannot remain in post unless they are one of the seven GP representatives on the Governing Body.

In summary, neither the Chair nor the Chief Clinical Officer of NHS Wirral CCG would appear to meet the eligibility requirements for their roles as set out in the CCG's constitution. It cannot have been the intention of the membership of the CCG to establish these two roles and then not make it possible for them to be occupied, which is the consequential impact of the current constitution. As a matter of urgency the CCG needs to revise its constitution to remove the current inconsistencies and to put their arrangements on a proper footing.

8.2 Review recommendations

To improve the governance of NHS Wirral CCG must:

1. Urgently consult its membership and then submit an application to NHS England to amend its constitution with regard to the eligibility of the Chair and the Chief Clinical Officer roles to remove the inconsistency and contradiction within the constitution so that both roles can then be occupied on a secure constitutional basis.

In addition NHS Wirral CCG should:

2. Consider a fundamental review of its constitution including how it engages with its membership in the work of the CCG and whether there should be engagement arrangements below the level of the CCG and if so what these should be and how they relate to populations and geographies within Wirral;

3. As part of any review of its constitution consider the composition of its Governing Body and consult its membership on the method of identifying the Chair and GP representatives on the Governing Body;

4. Undertake a development programme with its Governing Body members that it includes providing greater clarity over decision making arrangements, individual roles and responsibilities and the collective assurance role of the governing body; and

5. Review its arrangements for engaging with practices as providers alongside the review of its constitution.

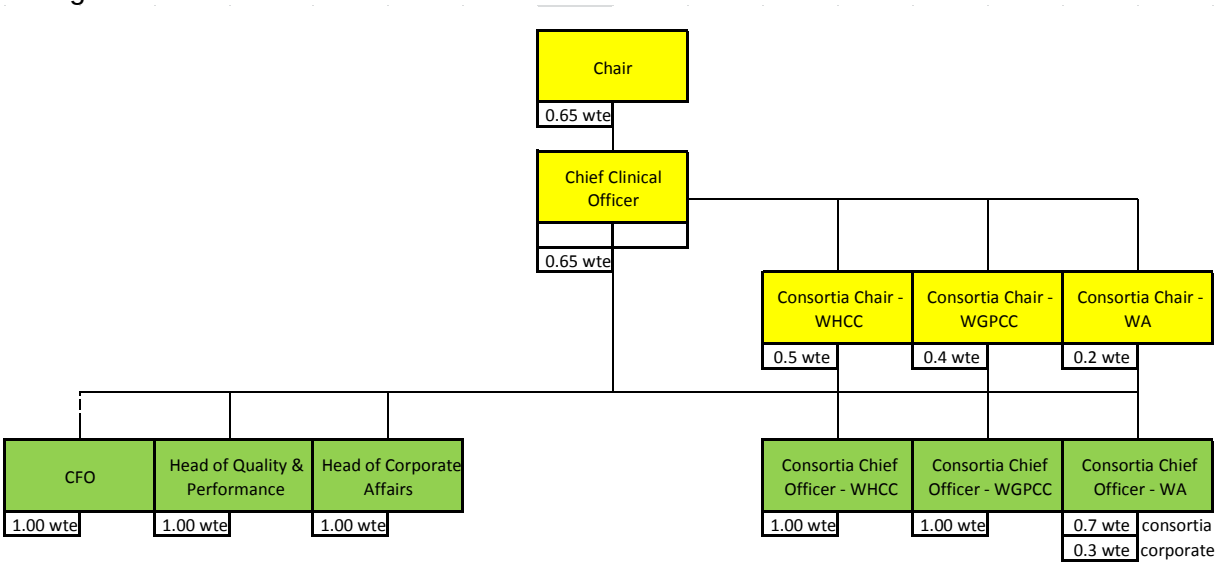
9 Senior Leadership Capability

Drawing on the insights gained from reviewing the major concerns of risk of failure and views of the CCG Senior Leadership Team and Governing Body, this section looks directly at the capability and capacity of the Senior Leadership Team.

9.1 Review findings

9.1.1 The structure of the CCG Senior Leadership Team

The structure of the CCG impacts directly on the overall capability and capacity of the senior leadership resource to address the strategic challenges the CCG now faces. Within the CCG management structure below the Chief Clinical Officer, the review observed a relatively high degree of confidence in the capability and endeavour of individuals within the parameters of their grade and roles.



The structure below the Chief Clinical Officer, with three relatively autonomous Consortia teams led by three band 8c Chief Officers puts an emphasis on more tactical work within Consortia and reduces the CCG leadership team capacity and capability to operate strategically. Examples were given of the Consortia Commissioning management teams helping with Primary Care provision issues within Consortia. The Consortia leadership teams recognise they are relatively disengaged from the strategic work of the CCG.

9.1.2 Very senior managerial capability

Unlike the vast majority of CCGs nationally which have a Chief Clinical Officer, the CCG does not have an identified senior managerial lead with experience at a very senior level working alongside the Chief Clinical Officer. Regional teams in the Midlands & East, North and South provided figures for the review. Of the 179 CCGs in those regions, 44 (25%) have a Chief Clinical Officer, with 36 of these (82%) having an identified senior managerial lead (often called a Chief Operating Officer). There are 18 CCGs that, like Wirral, have GPs in both the Chair and Chief Officer role, of these 17 (94%) have a Chief Operating Officer in their structure. Beneath the Chief Clinical Officer in Wirral's central CCG leadership team, the three Heads of Quality and Performance and Corporate Affairs at band 8c and a CFO on a non-Agenda for Change grade have had limited experience of leading major strategic change programmes across whole systems. The Chief Clinical Officer is contracted at three days a week. In April a new post was proposed, that of Head of System Transformation, to

increase capacity within the team. Currently the three central service design leads also report directly to the CCO.

9.1.3 Programme management capability

The CCG programme management resource is felt to operate mostly at an administrative level with a band 7 lead working to the Chief Clinical Officer rather than having the capability to add strategic value to the development of processes that recognise the needs of stakeholders and sets out change programmes that enjoy the confidence of stakeholders. This also impacts on the CCG's internal ability to set out a coherent business plan. Many people commented on the number, 120 or more, of initiatives linked to QIPP and there was not felt to be a coherent QIPP plan for the CCG. Most of the schemes identified were seen as focussing on improving technical rather than allocative efficiency.

9.1.4 Coordination and leadership capability

The Senior Leadership Team below the Chief Clinical Officer felt that their capability and capacity as a team was adversely affected by a lack of a coherent business plan to proactively allocate team responsibilities, delegate accountability and a tendency to be asked to work reactively in shorter term. In the absence of this senior managerial and clinical leads had identified their own work areas and priorities. It does not appear that the CCG is harnessing its available capacity as effectively as it could.

It was noted that the Governing Body Chair attends the Operational Group which can cause a lack of clarity in the CCG between the executive function and the assurance function.
Some members of the Senior Leadership Team also identified that their morale had become low because they felt relatively unable to constructively challenge the Chief Clinical Officer and be listened to positively.

9.1.5 Investment appraisal and evaluation capability

The CCG's governance places the primary responsibility for investment appraisal and evaluation within the three Consortia rather than having one CCG capability. The CCG does not have an effective capability to assure the whole CCG that investment has been consistently appraised and evaluated after being operationalised.

9.1.6 Organisational development capability

After the creation of an organisational development plan to meet the requirements of CCG authorisation there has not been an adequate organisational development programme to engage the whole CCG membership and Governing Body in reflecting on the changing challenges facing the CCG or the fitness for future purpose of the existing organisation.

The national Role Outlines document for CCG Governing Body members say that it is a responsibility of the Accountable Officer, working closely with the Chair of the Governing Body, to ensure proper constitutional, governance and development arrangements are put in place to assure the members (through the Governing Body) of the organisation's ongoing capability and capacity. This includes arrangements for the ongoing development of its members and staff. The review finds that there has not been sufficient early insight into the increasing challenges facing the CCG, the increasingly problematic nature of the original CCG design and possible improvements such as those identified in this review to proactively get ahead of the changes needed. The CCO considers that the development of the Governing Body is a matter for the Chair, with the CCO responsible for the development of the Senior Managerial Team.

The concerns of risk of failure of the CCG are primarily manifestations of the CCG leadership operating and increasingly not coping within the original design of the CCG rather than leading the organisation change programme needed to make it fit for future purpose.

9.1.7 Chair and Chief Clinical Officer responsibilities

The terms of reference for the review exclude any recent capability or human resources processes, which are a matter for the CCG. The review can however note that the ongoing relationship between the Chair and the Chief Clinical Officer, including a recent accusation of bullying and harassment, has impacted on the CCG's ability to make progress.

The review notes from the interviews carried out that there is a perception of challenges in the relationship between the Chair and the CCO dating back to the formation of the CCG and that have continued within the present organisational arrangements. The close working necessary to these two central roles would appear to have not been established demonstrated by disagreements on role definition, lead responsibilities, links to particular constituencies as well as policy disagreements on strategy, commissioning and CCG organisational development. This has ultimately had an effect on the CCG overall.

9.2 Review recommendations

To improve its senior leadership capability NHS Wirral CCG should:

1. Review the structure of the CCG Senior Leadership Team to reflect the proposed review of the CCG structure and governance, with particular consideration of:
    - strengthening the very senior strategic management capability of the CCG;
    - secure a strategic programme management capability;
    - secure a corporate capability in investment appraisal and evaluation; and
    - strengthen the coordination of CCG capability through the development of the CCGs business planning function.
2. Review the CCG leadership of organisational development capability, supported by a revised OD plan that includes development priorities for the Governing Body and the whole of the CCG's staffing capacity
3. Bring together the managerial resource in the central and three Consortia teams to make more effective use of the CCCs capacity.

10 Conclusions

The current state of the CCG's progress on strategy development, ensuring delivery of service standards today and its relationships with stakeholders does constitute reason to review the capability and governance of the CCG.

The CCG has fundamental organisational design characteristics which are manifesting themselves in all three areas of concern above. These are:

- three CCG Consortia being mosaics of like-minded practices rather than based on discrete population based commissioning areas.
- the CCG Governing Body being constituted around proportionate representation from Consortia.
- no substantive CCG membership forum, and consequent engagement, across the whole CCG.
- the managerial resource of the CCG being significantly invested in servicing the relatively autonomous functioning of Consortia.
- the relatively complex governance arrangements for decision making which derive from the Consortia structure.

The increasingly challenging financial environment has exposed these characteristics as being problematic for the CCG in discharging its functions.

All CCG Governing Body and senior staff interviewed largely recognised the problems manifesting from the CCGs original design. There is an encouraging consistency of views about the need to develop the CGG free it from its own history to better serve the population of Wirral. However, progress in addressing these issues has not happened at the pace needed.

The review finds that the CCG has been working within, and increasingly not coping with, a set of arrangements which are not fit for purpose. This has caused increasing difficulties in operating strategically, ensuring delivery today and sustaining relationships with stakeholders.

The review therefore finds that the capability and governance issues in NHS Wirral CCG to be primarily related to why the CCG did not move at sufficient pace to pro-actively develop the CCG as an organisation and get ahead of the challenges it now faces.

The review finds that the Governing Body, under the leadership of the Chair is largely aware of the need to develop the CCG but has not shown the necessary capability to assure the development of the CCG to discharge its functions. The Governing Body has expressed concern about how the organisation presently works but has not overseen the necessary processes of development to address those concerns.

The Governing Body itself is considered to not to have had adequate development to fulfil its role. There is no substantive development programme in place for the Governing Body, collectively or individually. The Chief Clinical Officer considers that the development of the Governing Body is primarily the lead responsibility of the Chair.

The Chief Clinical Officer recognised the challenges of the organisation's original design, and proposed incremental shifts away from the Consortia design to more CCG wide arrangements, but considered that an organisational review would distract too much from the work of today and would set the CCG back significantly. The CCO also felt change needed to come up from the membership rather than be top down.

Taken together, the CCG Chair and Chief Clinical Officer do not demonstrate the necessary close working agreement about what needs to change in the CCG, by when, to develop the CCG, nor how the necessary leadership for this work would be provided between the two roles.

The review concludes that it is unlikely that the CCG will sustainably improve its strategic and delivery position without undertaking a fundamental review of its constitution and organisational structure and its arrangements for member practice and public and patient engagement. The key issues the CCG may wish to consider in that review are set out in sections 4 to 9 of this report.

The review recommends that the CCG agrees a time and task limited action plan with the Area Team to undertake an organisational review.

The Area Team should agree appropriate external support to that process in agreement with the CCG and to support the associated review of the CCG's constitutional organisational structure.

The CCG should remain as assured with support by NHS England until that action plan is discharged in full.

11 Appendices
Appendix 1 – Terms of Reference

NHS Wirral CCG: Capability and Governance Review

Terms of Reference

1. Introduction

1.1 This document sets out the terms of reference for a capability and governance review of NHS Wirral CCG to be undertaken by NHS England led by John Bewick OBE in June 2014.

2. Context

2.1 NHS England have been working closely with NHS Wirral CCG for some time to ensure the CCG delivers its functions as there were concerns in a number of areas particularly in the leadership and development of the whole system strategy, relationships with Providers and delivery of A&E and Urgent Care.

2.2 These issues give rise to concern that there is a significant risk that the CCG will fail to discharge its functions and that a review is needed of the issues that have been raised, in the context of the CCG assurance process.

2.3 These concerns have escalated recently in relation to challenging relationships within the CCG.
Various correspondence and discussions have taken place with the Area Team Officers over the past couple of months.

2.4 The Governing Body has requested and the Chair and chief clinical officer agreed to voluntarily stand aside from their roles whilst the review is undertaken. This agreement requires that both officers agree to cooperate fully and openly with the investigation and agree not to interfere with the course of the investigation and not to undertake CCG related duties during the investigation.

3. Terms of reference for the capability and governance review

3.1 The purpose of the capability and governance review is to ensure that NHS Wirral CCG has the capacity and capability to fully discharge its functions as a CCG.

3.2 The core components of the review will include consideration of:

- Governing Body capability;
- Governance; and
- Senior Leadership capability

3.3 The terms of reference of the review for NHS Wirral CCG are to:

- Assess the Senior Leadership Team's capability and capacity to fulfil the functions of the CCG;
- Investigate the specific concerns raised by stakeholders
- Identify action that should be taken by the CCG to strengthen its leadership capability and capacity and respond to concerns raised by stakeholders; and
- Identify action that should be taken by NHS England, including identifying areas of support, to ensure strong leadership capability in the CCG.

3.4 It is recognised that a rounded view of leadership capability will need to be taken because leaders will need to manage the full range of challenges facing the CCG.

3.5 The review will be undertaken with consideration of the following documents and other NHS England guidance for CCGs:

- NHS Code of Conduct for Managers
- CCG Authorisation guidance
- CCG Assurance Framework and its related Operational Guidance

3.6 The key steps in the review will include:

- Agreement of the terms of reference – NHS England;
- Briefing of the review team; Area Team and Review Team
- All appropriate stakeholders interviewed;
- Report back to the Area Team; and
- Feedback to the CCG

3.7 The results of the review will inform the next steps to be taken by NHS England which may include NHS England exercising its powers of intervention.

4. Review team

4.1 The review will be led by John Bewick

- Advice on leadership capability and GP clinical advice will be sourced by NHS England as required by the Review Team
- A senior representative from NHS England to support the Review Team.

4.2 John will lead the review team, with support and advice from the other contributors. Area Team Directors will contribute throughout the review process as part of the NHS England team.

5. Accountability and reporting

5.1 The capability and governance review is commissioned by and conducted by NHS England and the review team will be accountable to the Chief Executive for its work throughout the review.

5.2 The review team will be expected to provide a written report to the Regional Director (North).

5.3 The Regional Director will consider the appropriate action to be followed with the CCG within the CCG assurance framework and if necessary make a recommendation to the Authorisation and Assurance Committee if it is felt that NHS England needs to exercise its legal powers of intervention.

5.4 It is the intention of NHS England to share the report, findings and recommendations with the CCG.

6. Timescale and costs

6.1 The review is expected to commence in week of 16th June 2014, with a report completed and submitted to the Regional Director in six weeks.

6.2 The reasonable costs of the review team will be met by NHS England and the CCG.

Appendix 2 – List of Interviewees

Interviewees

Dr Akhtar Ali	Governing Body member, NHS Wirral CCG
David Allison	Chief Executive, Wirral University Teaching Hospital NHS Foundation Trust
Mark Bakewell	Governing Body member, NHS Wirral CCG
Christine Campbell	Chief Officer, Wirral GP Commissioning Consortium
Andrew Cooper	Chief Officer, Wirral Health Commissioning Consortium
Peter Colclough	Management Consultant, supporting Vision 2018
Andrew Crawshaw	Director of Operations and Delivery, Cheshire, Warrington and Wirral (CWW) Area Team
Sheena Cumiskey	Chief Executive, Cheshire & Wirral Partnership NHS Foundation Trust
Cllr Phil Davies	Leader of Wirral Council, Chair of Wirral's Health and Wellbeing Board
Jon Develing	NHS England Director of Operations and Delivery (North) Interim Accountable Officer, NHS Wirral CCG
Moira Dumma	Substantive Area Director, CWW Area Team Interim Area Director, West Yorkshire Area Team
Paul Edwards	Head of Corporate Affairs, NHS Wirral CCG
Russell Favager	Director of Finance, CWW Area Team
Clare Fish	Strategic Director for Families and Wellbeing, Wirral Council
Simon Gilby	Chief Executive, Wirral Community NHS Trust
Dr Mark Green	Governing Body member, NHS Wirral CCG
Graham Hodgkinson	Director of Adult Social Services, Wirral Council
Dr Phil Jennings	Governing Body member and Chair NHS Wirral CCG
Fiona Johnstone	Director of Public Health, Wirral Council
Dr David Jones	Governing Body Member, NHS Wirral CCG
James Kay	Governing Body Member, NHS Wirral CCG
Tina Long	Director of Nursing (Interim Director of Commissioning), CWW Area Team

Dr Abhi Mantgani	Governing Body member and Chief Clinical Officer, NHS Wirral CCG
Dr Hannah McKay	Governing Body Member, NHS Wirral CCG
Dr Kieran Murphy	Medical Director, CWW Area Team
Dr Pete Naylor	Governing Body member and interim Chair, NHS Wirral CCG
Dr John Oates,	Governing Body member, NHS Wirral CCG
Lorna Quigley	Governing body member, NHS Wirral CCG
Dr Andrew Smethurst	Governing Body member, NHS Wirral CCG
Iain Stewart	Chief Officer, Wirral Alliance Commissioning Consortium
Alison Tonge	Interim Area Director (previously Director of Commissioning), CWW Area Team
Paul Turner	Head of Client Operations, Cheshire & Merseyside CSU
Simon Wagener	Governing Body Member, NHS Wirral CCG
Dr Sue Wells	Governing Body Member, NHS Wirral CCG

Additional individuals who contributed their views

Frank Field, MP	MP for Birkenhead
Dr Gillian Francis	Local GP
Mr Michael Sleeth	Wirral Resident
Dr Richard Williams	Chair, Wirral LMC

Appendix 3 – Review Team

The membership of the review team was:

John Bewick OBE	NHS England
Colin McIlwain	NHS England, Head of Planning and Assurance (North)
David Lautman	NHS England, Intervention & Support Team (North)
Mike Aston-Smith	NHS England, Intervention & Support Team (North)