



Panel Report

NHS Gloucestershire
19 November 2008

Final following national calibration 29 January 2009

Adding life to years and years to life

Overview

The panel would like to thank NHS Gloucestershire for participating in this initial round of assessments for World Class Commissioning and for engaging with the panel and process in an open and constructive way.

The panel asks the PCT to accept this report in the spirit in which it is intended: a support tool on the journey to World Class Commissioning, as a test of the commissioning assurance system, and as a considered perception of the organisation's strengths and weaknesses based on the insight the PCT itself gave the panel into its commissioning approach.

NHS Gloucestershire impressed the panel with the journey that it has made to establish a sound financial platform and markedly improved reputation. The panel felt that the PCT is now in a good position to enhance those competencies identified as needing development and capitalise on areas of strength such as the high level of engagement with their population.

This report contains a commentary on the three key themes identified by the panel for consideration by the PCT, the World Class Commissioning scorecard, and potential for improvement commentary. Observations and recommendations on the outcomes chosen by the PCT, the panel assessment of PCT governance, and the panel scores and recommendations for the ten World Class Commissioning competencies are also provided.

Commentary (1/2)

The panel identified 3 major areas for consideration by the PCT at this stage of its commissioning development:

1. The panel suggests that the PCT captures the power of one clear overall long-term strategic vision for the organisation that incorporates all services (health & wellbeing and health services)

Observations

The panel welcomed the PCT's very good use of its health and wellbeing strategy to engage the public behind its long-term priorities and objectives in this area. The panel, however, noted that the PCT had multiple articulations of its overall service objectives (including its health and wellbeing strategy, its WCC strategy and its health-services plan) and believed that individually and collectively, these strategies and plans are not allowing its broader stakeholders, particularly its partners and providers, to align and support the PCT in its longer-term agenda – particularly as the health services plan is only one year in focus.

Recommendation

The panel believes that the PCT should consider developing one clear overall long-term five year strategy that communicates to all stakeholders (particularly to providers, both current and potential, and partners) the PCT's overall goals and how it is planning to take its priorities forward. This in turn will enable partners and providers to better coalesce around the strategy and provide them with the direction and confidence to develop and innovate services.

Commentary (2/2)

2. The panel recommends the PCT builds upon its emerging strengths in engagement and continues its focus on building a 'commissioning machine' to enable strategic delivery

Observations

The panel noted that the PCT has recognised it needs to develop further skills in planning and prioritisation, and should develop a more systematic approach to service redesign and innovation. The panel felt that the PCT could take these areas further by developing its 'commissioning engine' to intelligently use data and strengthen its understanding of both demand side needs (met and unmet) and supply side capacity planning and market development. Taken together these would enable the PCT to focus its efforts on the activities and initiatives that will have greatest impact in improving health outcomes and shaping the long-term future for health services in Gloucestershire.

Recommendation

The panel recommends that the PCT builds upon its emerging strengths in public and patient engagement, to capture the benefits of the broader WCC competencies, particularly analytical capabilities, which will allow the PCT to identify future gaps in services and more proactively deliver long-term sustained improvements. This will entail developing deeper and broader commissioning capabilities across the organisation, in both individuals and supporting systems and processes.

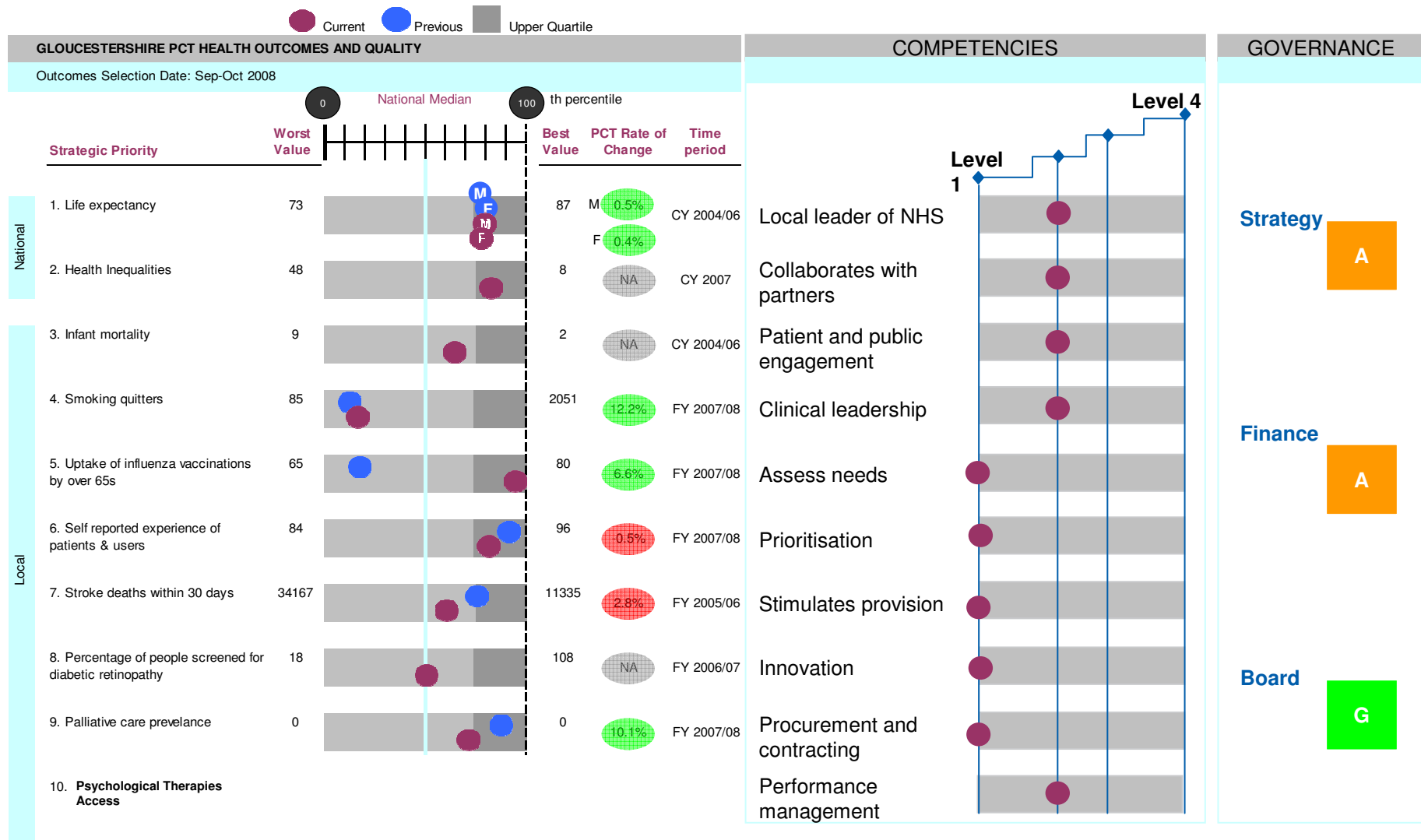
3. The panel recommends the PCT harnesses the opportunities in engaging its partners and clinicians across the local area in commissioning to deliver innovation and strategies that will support locality specific needs

Observations

The panel recognised the PCT's commitment to engaging clinicians, patients and partners to improve care and saw a significant opportunity for the PCT to enable partners and clinicians at locality level to identify and drive innovation, service improvements and strategy delivery.

Recommendation

The panel recommends the PCT continues to focus on this area and harnesses the opportunities to engage its partners and clinicians in the commissioning process by providing a more systematic approach to engagement, innovation and strategy development (including, for example, providing clear frameworks and relevant data flows to support decision making and monitoring).



Potential for Improvement Commentary

PCT trajectory

- The panel felt that the PCT is strongly led and has an enthusiastic, well-motivated team which has made significant progress in tackling the inherited financial and service change challenges and has established a far stronger reputation in leadership of the local health agenda. The passion and commitment of the Board to improving the lives of people in Gloucestershire was clear and supported by a strongly articulated set of core values.
- The panel is confident that if the PCT develops their long-term overall vision, builds their commissioning competencies and engages actively with clinicians/partners, the PCT will make significant improvement over the coming year.

Areas for organisational development

- Consideration should be given to achieving greater direction and alignment both internally and externally by further bringing together a clear, overall, cohesive vision which encompasses its ambitions for health and social care services and places commissioning as a means to that end.
- The PCT should build upon its own execution abilities by engaging its clinicians and partners locally to drive targeted change, by improving its commissioning capabilities (particularly around intelligent use of information and market management), and developing more systematic processes which build on specific examples of good practice.
- The PCT should continue to look for best practice and innovation ideas both from overseas as it is currently doing as well as more locally from the NHS and its neighbouring organisations.
- Overall, the panel felt that the PCT should now consider complementing its demonstrated abilities over the last two years to address immediate tactical issues with strengthening its competencies in relation to achieving strategic, longer term improvements. This should include ensuring that the arrangements for the management of the PCT provider function enables the PCT to develop its capacity as a commissioner.

Outcomes

Outcomes chosen

1. Infant mortality

2. Smoking quitters

3. Uptake of influenza vaccination by over 65s

4. Self-reported experience of patients and users

5. Stroke deaths within 30 days

6. Percentage of people screened for diabetic retinopathy

7. Palliative care prevalence

8. Access to psychological therapies (local outcome)

Panel observations on outcomes



- The PCT chose outcomes based on JSNA, LAA, Darzi, strategic plan, 'Offer' consultation and areas of poor performance. However, the specific process and prioritisation is unclear and the Board had relatively little formal discussion about chosen outcomes.
- The panel questioned the strategic fit of several metrics in delivering the greatest improvements to health:
 - Influenza vaccination was chosen to fit with demographic requirements, managing hospital admissions, and poor 2006/07 performance levels (although performance in 2007/08 has now improved).
 - Self-reported experience was chosen as the PCT felt that although it was performing well versus national average, the national picture is poor and that more needs to be done to incorporate patient feedback into the commissioning cycle.
 - Diabetic retinopathy is close to target but is targeted for BME access to close the differential.
 - Psychological therapies is seen as a critical area following the 2006/07 floods.
- In addition, the panel noted that infant mortality/stroke areas are where the PCT is performing above average, and cancer metrics (not chosen) is where the PCT is performing in the bottom quartile.

Recommendations

- The panel recommends that the PCT illustrates its priority choices by domain to illustrate and communicate to its stakeholders (internal and external) the rationale for the outcome prioritisation.
- The panel felt that the choice of some outcomes did not appear to be a strategic priority particularly influenza vaccinations and diabetic retinopathy and might be reconsidered in future years.

Overview - Competencies

PCT Self-Assessment

-  PCT's Self Assessment
-  Uncalibrated Panel Assessment

Competency	Level 1	Level 2	Level 3	Level 4
1. Locally lead the NHS	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>
2. Work with community partners	<input type="radio"/>			<input type="radio"/>
3. Engage with public and patients	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>
4. Collaborate with clinicians	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>
5. Manage knowledge and assess needs			<input type="radio"/>	<input type="radio"/>
6. Prioritise investment			<input type="radio"/>	<input type="radio"/>
7. Stimulate market		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8. Promote improvement and innovation			<input type="radio"/>	<input type="radio"/>
9. Secure procurement skills			<input type="radio"/>	<input type="radio"/>
10. Manage the local health system	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>

Topline introduction

- The panel agreed with 18 of the PCT's 30 self-assessment ratings.
- However, the panel found it necessary to adjust the remaining ratings.
- The panel acknowledged that in many areas where it has adjusted self-assessment ratings, the PCT has made significant inroads into achieving the sub-indicators and believes that the PCT now needs to systematise its initial work to achieve the higher levels of competence assessment.

Competency 1: Panel assessment

PCT's Self Assessment
 Panel Assessment

Competency	Measure	Level 1	Level 2	Level 3	Level 4
Are recognised as the local leader of the NHS	• Reputation as the 'local leader of the NHS'	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
	• Reputation as a change leader for local organisations	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
	• Position as the local healthcare employer of choice	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Rationale for scoring

- Key stakeholders somewhat agreed the PCT is a local leader of NHS and influencer for change.
- The PCT noted that it sees its reputation changing to become more commissioning focused and its reputation is growing as a leader in the partnership environment (e.g., improved reputation with the LA).
- The PCT has some good examples of involving the public in service change – for example, the closure of Winchcombe Community Hospital Trust and work in inner-city Gloucester.
- The PCT is developing a talent bank internally with 40 'managers for the future' from across its functional areas with personally defined plans and training (including contracting, commissioning, provisioning skills development) and is planning to extend the numbers in the programme in the future.

Recommendations going forward

- The panel believes the PCT has established a very strong base of public involvement and their commitment should allow them to develop best practice in this area in a short-time frame.
- To support this, the panel recommends the PCT, as part of its organisational development planning, maps its organisation and systems against the WCC competencies to understand critical skills gaps in both individuals and systems to focus its 'managers for the future' programme towards key areas, build its skills development programme and build upon its employee value proposition.

Competency 2: Panel assessment

PCT's Self Assessment
 Panel Assessment

Competency	Measure	Level 1	Level 2	Level 3	Level 4
Work collaboratively with community partners to commission services that optimise health gains and reduce health inequalities	• Creation of Local Area Agreement based on joint needs	<input type="radio"/>	<input checked="" type="checkbox"/>	<input checked="" type="radio"/>	<input type="radio"/>
	• Ability to conduct constructive partnerships	<input type="radio"/>	<input checked="" type="checkbox"/>	<input checked="" type="radio"/>	<input type="radio"/>
	• Reputation as an active and effective partner	<input type="radio"/>	<input checked="" type="checkbox"/>	<input checked="" type="radio"/>	<input type="radio"/>

Rationale for scoring

- The PCT has worked with the LA and other partners to agree the LAA, however, there is an unclear link between the LAA, JSNA and the PCT's WCC outcomes.
- Both the PCT and LA engaged the public during the creation of the LAA, with the PCT leading engagement; in the future, the PCT and LA are discussing options to combine efforts in public engagement including at local level.
- The PCT has examples of successful partnership delivery (e.g., Village Agents to address village isolation (key area from the JSNA) which was short-term funded by government and subsequently jointly funded by the PCT and LA) and leads on 10 LAA targets.
- The PCT has pooled spend and joint posts (e.g., DPH and commissioning leads for MH, LD, CYP) with joint accountability (which are being strengthened with new work contracts) – however, the panel questioned whether joint accountability may create potential conflicts and impact effectiveness.
- The LA's view on the effectiveness of the PCT as a partner is improving but stakeholders more broadly only somewhat agreed the PCT proactively engages their organisation (which may be a reflection of the PCT's young age and difficult history), and the panel was not clear how the PCT and LA resolve conflicts of priorities between them.

Recommendations going forward

- The panel recommends that the PCT develops an integrated and aligned engagement and commissioning approach with its partners to ensure a coherent approach for the communities being targeted (and thereby avoid any potential for 'mixed messages').
- The panel recommends that the PCT and LA monitor the new joint accountability arrangements carefully and review if required to ensure the effectiveness of the new posts and work contracts.

Competency 3: Panel assessment

PCT's Self Assessment
 Panel Assessment

Competency	Measure	Level 1	Level 2	Level 3	Level 4
Proactively build continuous and meaningful engagement with the public and patients to shape services and improve health	• Influence on local health opinions and aspirations	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
	• Public and patient engagement	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
	• Delivery of patient satisfaction	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Rationale for scoring

- The PCT has some good examples of influencing public opinion (e.g., Winchcombe Community hospital closure and health & wellbeing activities including the Romany health fair at Stow Fair); the local population appear to support the PCT but stakeholders only somewhat agree the PCT has proactively shaped health opinion/aspiration of population.
- The PCT is strengthening its engagement process but these are not yet all in place with much of the activity historically being through the PPI forum and largely provider focused. The PCT has developed an engagement strategy which is being developed into a costed activity plan.
- The PCT is starting to obtain patient feedback from providers, via a number of innovative methods (e.g., electronic feedback surveys at bed-side) and its complaints resolution is higher than SHA average. There are some examples of how feedback has affected commissioning intentions (e.g., BME engagement in MH), although the panel was unable to identify how systematic this currently is.

Recommendations going forward

- The panel encourages the PCT to:
 - Use the opportunity from the newly formed LINKs to engage the public in setting strategic, longer-term health services direction, rather than tactical specific service improvements.
 - Continue its engagement of targeted groups identified with having specific health needs (e.g., Romany, BME etc).
 - Implement evaluation methodologies to evaluate the effectiveness of alternative engagement approaches by segment.

Competency 4: Panel assessment

PCT's Self Assessment
 Panel Assessment

Competency	Measure	Level 1	Level 2	Level 3	Level 4
Lead continuous and meaningful engagement of all clinicians to inform strategy and drive quality, service design and resource utilisation	• Clinical engagement	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
	• Dissemination of information to support clinical decision making	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	• Reputation as an active and effective partner	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Rationale for scoring

- Stakeholder feedback on clinical engagement is mixed and the PCT recognised the need to strengthen this area via the appointment of a medical director to support on commissioning and its recently set up contract board structure with clinicians working alongside PCT management.
- The PEC has full engagement from its members (who include 3 GPs, therapist, district nurse, health visitors etc). The PEC focuses on strategy development and sponsors some care pathway work (e.g., in ophthalmology, led by the PEC optometrist and including secondary care clinicians) but the panel questioned whether the PEC's role is sufficiently broad and the panel noted the PCT's intention to 'reinvigorate' its PBC consortia.
- The panel welcomed the PCT's recent moves to build an information system to provide clinicians with critical data (currently starting with budgetary data and initial community services data).
- The PCT is moving towards greater secondary care clinician involvement, through its clinical forum.

Recommendations going forward

- The panel recommends that the PCT:
 - Outlines a clear vision for how it sees clinical leadership evolving over time.
 - Increases its capacity and capabilities as a commissioner by harnessing primary care clinicians through the PEC and PBC mechanisms.
 - Builds on the quality of data supplied to clinicians to enable their decisions to be more evidence based and allow them to drive and identify improvement opportunities.
 - Delivers on its intent to increase support to PBCs (including management support to the consolidated PBC consortia) as a means of delivery of long-term locality strategies and innovation.

Competency 5: Panel assessment

PCT's Self Assessment
 Panel Assessment

Competency	Measure	Level 1	Level 2	Level 3	Level 4
Manage knowledge and undertake robust and regular needs assessments that establish a full understanding of current and future local health needs and requirements	• Analytical skills and insights	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>
	• Understanding of health needs trends		<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
	• Use of health needs benchmarks		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Rationale for scoring

- The JSNA has drawn together a variety of data with a strategic intelligence board being formed with all thematic partners from across the LAA to move to an information base from a database.
- The PCT is currently incorporating programme budgeting into the JSNA.
- The PCT has done work in some services in identifying unmet needs and mapping capacity provision against them (e.g., dementia needs and provision for elderly care) and understanding health needs in some segments (e.g., with the homeless, Romany); however, the panel noted that although the submitted JSNA identified current health needs, it had more limited analysis of future needs and trends analysis.
- The PCT has undertaken some benchmarking (e.g., against the LGA cluster and using the National Institute for Innovation and Improvement benchmarks of productivity) and has recently commissioned CHKS to benchmark intervention levels and provider performance to identify where commissioning needs to change (commissioned in September 2008); but the panel noted that clear plans to improve on the benchmarks would need to be in place for a Level 2 score.

Recommendations going forward

- The panel suggests that the PCT develops a 6-18 month plan to strengthen its commissioning capability by systematising benchmarking, health needs trends and analysis, and improvement planning with identifiable targets.
- The panel recommends the PCT makes its JSNA data more widely available to the public and its other stakeholders (e.g., providers).

Competency 6: Panel assessment

● PCT's Self Assessment
 ✓ Panel Assessment

Competency	Measure	Level 1	Level 2	Level 3	Level 4
Prioritise investment according to local needs, service requirements and the values of the NHS	<ul style="list-style-type: none"> Predictive modelling skills and insights 	✓	●	○	○
	<ul style="list-style-type: none"> Prioritisation of investment to improve population's health 	✓	○	○	○
	<ul style="list-style-type: none"> Incorporation of priorities into strategic investment plan 	✓	●	○	○

Rationale for scoring

- The PCT is starting to use tools in this area (e.g., prevalence and admission rates in some disease areas) in their JSNA and some contracting approaches; but the panel noted that these are somewhat limited in their application with limited evidence of scenario planning or best/worst case analysis.
- The PCT is starting to use programme budgeting (e.g., in renal services) but this is not systematic and it was not clear how this is feeding into the PCT's strategic planning.
- The PCT has 30 initiatives in its strategic plan and recognised the need to develop its prioritisation approaches; the panel noted that the PCT is stronger in public health and this could be used more broadly to shape commissioning decisions.
- Whilst there is a list of prioritisation, it was unclear to the panel how the criteria were applied to make investment and disinvestment decisions and the link between identified gaps and specific initiatives was mixed (e.g., obesity is linked to a specific initiative while infant mortality is not).

Recommendations going forward

- The panel encourages the PCT to deliver on their recognised need to have systems and processes in place that will enhance the Board's ability to prioritise effectively.
- The panel recommends the PCT progress the intended programme to develop increased information capability which will support more effective commissioning against the longer-term strategic objectives.

Competency 7: Panel assessment

PCT's Self Assessment
 Panel Assessment

Competency	Measure	Level 1	Level 2	Level 3	Level 4
Effectively stimulate the market to meet demand and secure required clinical and health and wellbeing outcomes	• Knowledge of current and future provider capacity		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	• Alignment of provider capacity with health needs projections	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>
	• Creation of effective choices for patients		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Rationale for scoring

- The PCT demonstrated a number of examples of service development where gaps in provider capacity have been identified (e.g., in orthopaedics where the PCT has built links to the independent sector, and in its partnership with UK Specialist Hospitals Ltd. resulting in the development of a treatment centre at community hospitals). However, the panel noted this is not systematically embedded.
- There is some evidence that the PCT is projecting demand and current/future provider capacity in some (e.g., dementia and elderly care provision) but not in all specialty levels.
- The PCT noted that providing choice is relevant primarily ‘in-county’ and its current provider landscape limits options; the financial template shows that 75% of acute spend is still going to one provider over the next 5 years.
- The PCT has a draft procurement strategy which it is expecting to finalise soon, however, the panel was unsure how the development of the strategy is informing acute provider discussions.
- The PCT is starting to develop provider capacity analysis with supply options being identified as part of the South West/ Strategic Health Authority wide market review exercise.
- The panel supports the PCT’s engagement in the South West market analysis competency development and encourages its knowledge transfer to the PCT.

Recommendations going forward

- The panel suggests that the Board strengthens its strategic leadership of this area and recommends that the PCT considers developing its work on the procurement strategy and the national competition framework to ensure its effective role as market managers. To facilitate this, the panel notes the Board is planning “strategic sessions” to enable them to get a stronger handle on strategic challenges.

Competency 8: Panel assessment

PCT's Self Assessment
 Panel Assessment

Competency	Measure	Level 1	Level 2	Level 3	Level 4
Promote and specify continuous improvements in quality and outcomes through clinical and provider innovation and configuration	• Identification of improvement opportunities			<input type="radio"/>	<input type="radio"/>
	• Implementation of improvement initiatives			<input type="radio"/>	<input type="radio"/>
	• Collection of real time quality and outcome information	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>

Rationale for scoring

- The PCT provided examples of service improvement, but these appeared to be localised and were ‘work in progress’ rather than complete.
- Service redesign areas appeared to be identified in a reactive response to issues, rather than being systematically and proactively identified.
- There is relatively limited methodology for pathway improvement (e.g., clear process maps or improvement techniques) and the PCT accepted that a more systematic approach is needed, such as Lean where they are in the early stages.
- Patients and clinicians have been involved in service redesign (e.g., renal) but the role and inclusion of PBCs was not apparent, although the PCT is planning to improve this over the coming year.
- The PCT provided some examples of collection of quality/outcome information and is monitoring and reporting these with providers based on altered contracts (e.g., orthopaedics contract or some aspects of amended FT contract).

Recommendations going forward

- The panel recommends that the PCT establish a clear methodology for service redesign and build upon their expressed wish to develop the PBCs and enable them to more proactively drive improvement opportunities.

Competency 9: Panel assessment

PCT's Self Assessment
 Panel Assessment

Competency	Measure	Level 1	Level 2	Level 3	Level 4
Secure procurement skills that ensure robust and viable contracts	• Understanding of providers economics			<input type="radio"/>	<input type="radio"/>
	• Negotiation of contracts around defined variables	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>
	• Creation of robust contracts based on outcomes			<input type="radio"/>	<input type="radio"/>

Rationale for scoring

- The PCT did not appear to have a comprehensive understanding of provider economics and market dynamics.
- The PCT is starting to build a number of quality/outcome targets into new contracts and their commissioning framework includes some outcome measures (e.g., increase in breast feeding and smoking quitter rates. These are not yet incorporated into existing contracts although the PCT expected to be able to do this from next year:
 - Establishment of finance and quality groups to work on identifying measures to include in contracting.
 - ISTC contract in orthopaedics includes some quality and outcomes targets.
 - Incorporation of PROMS into contracts.
 - Use of penalties on non-achievement of targets (e.g., discharge).

Recommendations going forward

- The panel identified the need for the PCT to broaden out initial analysis of provider services and provider economics to create a comprehensive understanding across all provider groups.
- The panel encourages the PCT continue the process of developing its contracting capability in particular incorporating outcomes and quality standards into all new and existing contracts, particularly in the renewal of the FT contract.

Competency 10: Panel assessment

PCT's Self Assessment
 Panel Assessment

Competency	Measure	Level 1	Level 2	Level 3	Level 4
Effectively manage systems and work in partnership with providers to ensure contract compliance and continuous improvement in quality and outcomes and value for money	• Use of real time performance information	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
	• Implementation of regular provider performance discussions	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
	• Resolution of ongoing contractual issues	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

Rationale for scoring

- The PCT has set up a contract management team who have access to a wide range of data (e.g., daily sit-reps, discharge summaries, breaches, weekly reports on unscheduled care etc). However, the panel did not identify any additional real-time data usage over and above that which is nationally provided (e.g., sit-reps).
- Individuals within the team are tasked to address specific issues, including using root cause analysis (e.g., on 4 hour A&E, delayed discharges).
- The PCT regularly meets with providers to discuss a wide range of performance information and the PCT is expecting to use the new Strategic Intelligence Board to develop and use additional intelligence.
- A new clinical forum has been set up between primary and secondary care clinicians to identify performance improvements.

Recommendations going forward

- The panel supports the PCT in its ambition in developing stronger information systems that go beyond that supporting contract management capability and can be used to analyse performance and engage with providers even more effectively.

Governance: Panel assessment on Strategy

Overall recommendation on governance

The panel recognised the strong engagement and grip that the Board displays and recommends that the PCT builds off its existing health and wellbeing strategy to create one overall long-term strategy that can be used to engage and communicate with all stakeholders; the panel also supports the Board’s allied desire to take a longer-term more strategic outlook.

Assessment	Measure	Red	Amber	Green
	• Vision and objectives	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
	• Initiatives to ensure delivery of strategic objectives	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
	• Consistency of financial plan with the strategy	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
	• Board challenge and ownership of the strategic plan	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
	• Achievement of milestones to date	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>

Rationale for rating

- The PCT recognised the need to build upon their health and wellbeing strategy to provide long-term strategic direction across their overall agenda and particularly to health services.
- In the submitted strategy, the panel identified:
 - Specified initiatives and programmes do not all have specific timelines, milestones and assessed impact on outcomes (to understand the extent to which collectively they ‘add up to overall success’); the PCT is starting to do this on activity/process metrics but has yet to do this on all outcomes related metrics – and would like to increase its ability to incorporate greater patient feedback/impact as measures of initiative success.
 - There are multiple (30) relatively immediate impact initiatives and the PCT acknowledged that its ability to prioritise within and between initiatives/activities based on changing circumstances is not as strong as it would want it to be.
 - The documented link between the financial and strategic plan was unclear (e.g., the PCT noted in discussions that ‘choosing health’ priorities are fully funded but specific investment behind them is not evident in the financial plan) as are specific future disinvestment activities, although the PCT identified examples in the past (e.g., Winchcombe hospital closure).
 - The Board is involved in setting priorities and direction – but have recognised the need to consolidate this and are planning to alter their Board discussion structure to strengthen this.

Recommendations going forward

The panel believes that the PCT should consider developing one clear overall long-term 5 year strategy that communicates to all stakeholders (particularly to providers, both current and potential, and partners) the PCT’s overall goals and how it is planning to shape the market.

Governance: Panel assessment on Finance

Assessment	Measure	Red	Amber	Green
	• Sustainable financial position	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	• Historical financial management	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
	• Robustness of planning assumptions	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Rationale for rating

- Historically the PCT is recovering well after relatively poor financial performance (deficit in 2005/06) with the ALE score improving from 2 to 3 in 2007/08.
- The PCT is forecasting surpluses of c. 0.75% in each financial year to 2012/13; however, the panel noted that the submitted financial template:
 - Incorporated only high level risks with contingency levels set significantly higher than identified risks (up to 2 times in the next 2 years equating to 2% of total income) with contingencies historically being used in-year to fund additional investments.
 - Did not provide a clear link back between the strategy and financial initiatives with only three initiatives listed in the strategic plan and which therefore did not directly tie to the 30 identified in the strategic plan.
 - Lack of clarity on how c. 50% of forecast capital expenditure will be spent (allocated to ‘other schemes’).
- The PCT highlighted the engagement of the Board in financial planning (e.g., discussions between the NEDs, FD and CE including on assumptions) and noted their desire to improve prioritisation in financial planning.

Recommendations going forward

- The panel suggests the PCT develops more detailed financial planning on the investments and disinvestments surrounding its initiatives and revisits its analysis of risks and contingencies to ensure the balance and levels are appropriate to both maintain its sustainable financial position while ensuring investment against key clinical priorities in the future.

Governance: Panel assessment on Board

Assessment	Measure	Red	Amber	Green
	• Organisation	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	• Risk	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	• Information	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	• Performance	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	• Delegation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
	• Board interaction	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Rationale for rating

- The Board overall appeared to be well-engaged and providing a strong grip on the organisation and its issues:
 - The PCT is moving to provider/commissioning separation, although some of its key positions still have a dual role in both.
 - The organisation’s ambitions are outlined in its OD plan and the PCT has implemented a management talent pool.
 - A performance management sub-group reports to the Board; and the Board sees regular performance reports with comprehensive RAG, major indicators monthly and more detailed reports quarterly – the PCT highlighted that these are frank and open discussions.
 - However, PBC delegation is not yet fully in place (although the PCT has plans in place to improve) and the PCT did not articulate clearly how partners will support delivery under delegation.
 - The Board has recognised the need to become more strategic in focus.
 - The PCT scored a 3 for Internal Control in the latest ALE assessment.

Recommendations going forward

- The panel recognises the PCT Board’s engagement and recommends that the PCT and its Board:
 - Pushes forward with their plans to clarify PBC governance to support the re-invigoration of its PBCs.
 - Enhances the Board’s ability to take a long-term strategic role, including by developing the organisation’s information capabilities to support decision making and prioritisation.
 - Supports the organisation’s moves to build a more systematic service redesign process and build commissioning capabilities.