



Department
of Health

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Annual Assessment of the NHS Commissioning Board
(known as NHS England) 2014-15

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Presented to Parliament pursuant to section 13U(6) of the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012)



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National Health Service Act 2006 (as amended) – section 13U requirements in relation to the Annual Report of the NHS Commissioning Board (known as NHS England) for the financial year 2014-2015

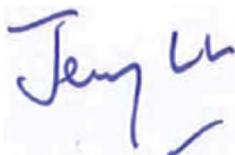
This Act Paper sets out my second annual assessment of the National Health Service Commissioning Board's performance, pursuant to section 13U(4) of the above Act, covering the 2014-15 financial year.

I have considered the Board's Annual Report and Accounts for 2014-15 which have been laid before Parliament today, 21 July 2015. In accordance with section 13U(4), I have written to Professor Sir Malcolm Grant, the Chair of NHS England with my assessment of the Board's performance of its functions for the 2014-15 financial year. A copy of this letter is enclosed with this Act Paper.

My letter to Professor Sir Malcolm refers to the Board by its operating name, NHS England. The letter includes my assessment of the following matters specifically set out in section 13U(2)(a) to (c), as required in section 13U(5):

- (a) the extent to which the Board met any objectives or requirements specified in the mandate for the above year;
- (b) the extent to which the Board gave effect to the proposals for that year in its business plan; and
- (c) how effectively it discharged its duties under sections 13E (duty as to improvement in quality of services), 13G (duty as to reducing inequalities) and 13Q (public involvement and consultation by the Board).

As is required under section 13U(6), I am laying a copy of this letter before Parliament today and will be publishing it on the GOV.UK website afterwards.



Rt Hon Jeremy Hunt MP
Secretary of State for Health



From the Rt Hon Jeremy Hunt MP
Secretary of State for Health
Richmond House
79 Whitehall
London
SW1A 2NS
21 July 2015

Professor Sir Malcolm Grant
Chair, NHS England
4W12
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Quarry Hill
Leeds
LS2 7UE

Dear Professor Sir Malcolm

Annual assessment of NHS England's performance in 2014-15

I am writing to you to set out my annual assessment of NHS England's performance during 2014-15, as required by the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012).

I have based the assessment on: evidence from NHS England's own annual report and accounts for 2014-15; available data; feedback from stakeholders; and the discussions that I and my departmental team have held with your teams throughout the year. Each part of the assessment sets out the section of the National Health Service Act 2006 (as amended) that it refers to and the relevant chapter of the mandate from the Government to NHS England for April 2014 to March 2015.

I agree with the assessment in your annual report for 2014-15 that NHS England has made good progress against the mandate. In a challenging year, your organisation has made progress on the majority of the mandate objectives. The majority of the 68 indicators of the NHS outcomes framework, which is used to help assess whether NHS England has achieved its objectives, show improvements in outcomes over the past year. NHS England has made a strong commitment to ensuring parity of esteem for mental health. There remains a complex challenge ahead and I trust you will make further progress in 2015-16. In addition, I welcome the progress that NHS England has made in the past year to ensure that the care it commissions or oversees is as safe, effective and compassionate as possible. Your organisation will continue to have a central role in helping to drive forward the system-wide improvements that are required in response to the recommendations made by Sir Robert Francis.

My assessment also sets out where more progress against the mandate is required. Over the second half of 2014-15, performance against the access standards set out in the NHS Constitution deteriorated, particularly during the winter period. I am reassured that there is a strong focus from NHS England, working together with Monitor and the NHS Trust Development Authority, to address winter pressures and restore and sustain performance for 2015-16 all year round. More generally, where there are deteriorations in outcomes, in particular access to GP services, I expect NHS England to assess how it will take steps to improve performance and how this will contribute to the Government's objective for seven-day NHS services.

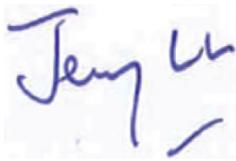
I also note the strong progress that has been made through NHS England's organisational alignment and capability programme, with the aim of developing a more efficient organisation that is better placed to deliver the mandate. I know that NHS England has plans to build further on these improvements to ensure that it has the capacity, capability and internal controls and processes to meet the challenging objectives set out in the NHS Five Year Forward View. Your organisation has also made a significant achievement in cutting the running costs of the commissioning system by over a third in just two years. One of the priorities for the next year will be the need to strengthen commissioning assurance, including greater transparency of commissioning outcomes. This work will be crucial in assuring that the commissioning system is playing its part in driving transformation in the NHS.

NHS England fulfilled most of its financial duties and objectives for 2014-15, including delivering a balanced budget and £1.8bn of commissioner-led efficiencies. This was achieved against a challenging backdrop of a tight fiscal climate and significant organisational change. Strong financial management is a key contributor to sustainable, safe, and high-quality NHS services. NHS England, along with other arm's length bodies, will need to play a strong role across the lifetime of this Parliament in improving efficiency and financial control across the NHS as a whole, including playing its part in helping address the current pressures facing NHS providers.

I note in its annual report the actions that NHS England is taking to prevent a further breach of HMT's guidelines about board-level officials and those with significant financial responsibility being on the payroll. As I said in my letter of 2 June, I also expect all arm's length bodies to urgently review their policies on executive remuneration and to consider whether the amounts paid to very senior managers are both necessary and justifiable.

NHS England has continued to mature as an organisation over the last year and I have been highly impressed by the way in which it has worked together with organisations across the health system to develop the NHS Five Year Forward View. The Government is committed to this vision for a better NHS, which has generated consensus across the health system about how care needs to change to meet patients' changing needs. There are significant challenges ahead for NHS England which will only be met by working with organisations across the health system to deliver the new care models and efficiencies articulated in the NHS Five Year Forward View. As you know, the NHS Five Year Forward View requires productivity and efficiency savings that NHS England must work with the system to deliver.

One year on, I agree with the assessment set out in NHS England's annual report and accounts for 2014-15, that most of the goals for 2014-15 were met or close to being met. I am pleased to see that your business plan for 2015-16 sets out clear plans to continue the good progress. My ministerial team, officials and I will continue to discuss progress with you and your teams regularly throughout the year, developing a collective understanding of the risks and issues.

A handwritten signature in blue ink, appearing to read 'Jeremy Hunt', with a stylized flourish at the end.

Rt Hon Jeremy Hunt MP
Secretary of State for Health

I am required by section 13U(5) of the 2006 National Health Service Act (as amended) to assess in particular the extent to which NHS England has met its mandate and business plan objectives, and fulfilled its duties to improve the quality of services, reduce inequalities and secure public involvement (sections 13U(2) (a) to (c)). Where appropriate, my assessment indicates where relevant objectives are set out in the mandate.

I will first highlight the following areas where – in my assessment of the matters set out in section 13U(5) and 2(a) to (c) (in relation to 13E duties) – there has been notable progress:

- **NHS England has made significant progress in improving the diagnosis and care for people who have dementia.** Diagnosis rates for dementia at the end of March 2015 are predicted to have risen to 61% compared with 51% in March 2014. NHS England has put robust plans in place to support these improvements. The Government expects that the two thirds diagnosis rate target will be met and maintained in 2015-16. NHS England has also worked effectively in partnership with stakeholders throughout the year and has provided consistent support to the Prime Minister's Dementia Challenge. I am encouraged that in 2015-16 NHS England is focusing on the development of a five year transformation plan, to ensure good post-diagnostic services for people with dementia across England. This will support the Prime Minister's aspiration that by 2020 every person with dementia, and their carers, will receive meaningful care. *(Mandate chapter two: enhancing quality of life for people with long-term conditions).*
- **NHS England has worked with patients, carers, health and care professionals, and commissioners to provide practical support for the good management of long term conditions.** The 2014 GP Patient Survey showed that 63.7% of patients with one or more long term conditions feel that they receive enough support to help them manage their condition. The handbooks produced by NHS England together with the healthy ageing guide devised with Age UK, have helped to drive a co-ordinated approach to support people with long term conditions and to provide person centred care. Long-term conditions remain a central focus for the NHS and I look forward to further progress next year to embed the offer of care planning for people who would benefit the most. *(Mandate chapter two: enhancing quality of life for people with long-term conditions).*
- **NHS England has made some excellent progress in ensuring the technical capability is in place for GPs to give people access to their own GP record online.** NHS England has also implemented access to summary care records in a range of key settings including a third of all NHS 111 providers, A&E departments and ambulance trusts. NHS England has committed to maintain momentum by demonstrating that, as well as having the technical capability to do so, GPs are proactively offering online access to records in a way that tangibly improves the quality of care, including patient experience. *(Mandate chapter two: enhancing quality of life for people with long-term conditions).*
- **NHS England has provided a strong commitment to ensuring parity of esteem for mental health.** NHS England has made good progress towards achieving parity

of esteem.¹ It has developed and committed to introducing access and waiting time standards, rolled out “improving access to psychological therapies” (IAPT) for children and young people ahead of target, and improved ‘Tier 4’ provision. NHS England has undertaken significant activity to mobilise IAPT service providers by offering targeted support to those providers who could benefit the most and sharing best practice from high-performing providers in this area. NHS England is confident that it has achieved its national access target of 15% within the financial year 2014-15 and is making significant progress with those undergoing an IAPT treatment moving to recovery. The first access and waiting time standards for mental health services are now being introduced in line with *‘Achieving better access to mental health services by 2020’*. There remains a complex challenge ahead in achieving measurable progress towards delivering true parity of esteem and I trust you will continue to make further progress in 2015-16. (*Mandate chapter three: helping people to recover from episodes of ill health or following injury*).

- **NHS England continues to make good progress on its objective to deliver a revolution in transparency.** Good progress has been made on delivering more transparent data via the MyNHS website, which now has over 570,000 data items covering a range of services and has seen nearly 200,000 visits since September 2014. Consultant level outcome data across 12 different specialties have been published here for the first time, in a single place, alongside hospital quality and safety indicators. There has been steady progress against the mandate objective on patient safety in the wake of the Francis report. I welcome the progress that NHS England has made in the past year to ensure that all the care that NHS England commissions or oversees is as safe, effective and compassionate as possible. It has introduced Safety Collaboratives to tackle patient safety nationwide and I am pleased to see that data are available on key safety priorities at various levels across the health service. Performance against the NHS *‘safety thermometer’* stands at 94% in May 2015. I believe transparency is vital to improving quality and outcomes and NHS England is making good progress in this area. (*Mandate chapter three: helping people to recover from episodes of ill health or following injury; and mandate chapter five: treating and caring for people in a safe environment and protecting them from avoidable harm*).
- **NHS England has made significant progress in supporting the NHS to continually improve patient experience.** A key achievement has been implementation of the Friends and Family Test (FFT) including in community mental health and GP services. Over seven million responses have been received through the FFT and there are increasing examples of improvements in experience of care being introduced as a result of feedback. I am encouraged that the proportion of patients rating their overall experience of care highly has increased in key services, including in-patient services and A&E services. Following the publication by the national quality board of *‘Improving experiences of care: Our shared understanding*

¹ Parity of esteem for mental health is where everyone who needs it has timely access to mental health services and the health gap between people with mental health needs and the population as a whole has been closed.

and ambition', I am pleased to see that NHS England has supported commissioners to review and refresh their operational plans to help tackle poor experience of in-patient care. NHS England's planned activity to develop the FFT and implement the NHS Insight Strategy will play a vital role in the future development of improved patient experience. (*Mandate chapter four: ensuring that people have a positive experience of care*).

My specific assessment of matters set out in section 13U(2)(c), relating to the duties under section 13G (health inequalities) and 13Q (patient involvement and consultation), is as follows:

- My assessment of how effectively NHS England has fulfilled its health inequalities duty in 2014-15 is that it has continued to make progress. More needs to be done to ensure that robust and effective systems are in place for all CCGs to fulfil their health inequalities duties and for each CCG to be assessed by NHS England on how well it has done this.** I have noted the assessment set out in NHS England's annual report about how effectively NHS England has fulfilled its legal duty to have regard to the need to reduce health inequalities between patients (with respect to access to – and outcomes from – health services). This states that it has made “reasonable progress in recent years” and highlights that more remains to be done. I am encouraged by a number of elements of the report, notably the strong focus on outcome measures and the commitment to making health inequalities a high priority in implementing the NHS Five Year Forward View. I am pleased that positive progress on key inequalities such as cardiovascular disease mortality in under 75s, cancer mortalities in under 75s and infant mortality has continued in the most recent periods for which data are available (mostly pre-dating April 2013). I note that further work is needed to support longer healthy life expectancy for both men and women and to reduce other inequalities. I set out in my letter to system leaders of 27 November 2014 (which is published on GOV.UK) a specific expectation that NHS England will ensure that CCGs are capable of fulfilling their own legal duties on health inequalities and that it will put in place robust arrangements for assessment and reporting of CCGs' fulfilment of their duties. CCGs need to improve action to reduce health inequalities and NHS England's arrangements for assessment and reporting of CCGs needs to be robustly applied. NHS England assures me that in 2015-16 it will continue its work to ensure that the need to reduce health inequalities is systematically taken into account across all of its functions and set out how effectively it has carried this out.
- Overall I feel that NHS England has continued to make progress on patient and public involvement but more can be done.** As part of my duty to review the extent to which NHS England has met its objectives about patient and public involvement and consultation in commissioning decisions, I have noted the assessment provided by NHS England as part of its annual report. I recognise the unique challenges that commissioning specialised services brings and NHS England assures me that it will continue to improve its processes and engagement over the next year. I am pleased that the network of clinical reference groups and the clinical priorities advisory group continue to advise NHS England on commissioning in their areas of expertise and experience. I am also encouraged by the progress

that has been made on the NHS Citizen programme. I agree with NHS England that, although progress has been made around patient and public involvement in commissioning primary care services, there is still much more to do. Programmes such as Patient Online and NHS Citizen offer new opportunities to shape the future of patient and public engagement. As new innovative care models develop, it is more important than ever that NHS England has strong structures in place to involve patients and the public in decisions that affect them and their community.

I must also highlight the following areas where my assessment of the matters set out in section 13U(5) and (2)(a) and (c) (relating to the duty set out in section 13E) is that progress has been significantly less than planned and/or where there are particular challenges ahead:

- **Meeting the access standards set out in the NHS Constitution is an important contributor to people’s experience of the NHS.** Performance against these standards deteriorated over the second half of 2014-15, especially for A&E and ambulance services. There remains more to be done to reduce variation and improve performance, to tackle the rise in demand for planned services, and to ensure urgent and emergency care services are sustainable all year round. I know that there is a strong focus by NHS England, working together with Monitor and the NHS Trust Development Authority, on improving and sustaining performance, particularly during the winter, and on planning for year-round operational resilience in 2015-16 for out-of-hospital care (community, mental health, domiciliary) as well as acute care. The report on the effect of the NHS Constitution shows that whilst staff awareness has increased, public awareness has decreased since the last report three years ago. Further work is needed to ensure that patients understand their rights and responsibilities under the NHS Constitution, which will, in turn, help to drive improvements in the services that the NHS provides. *(Mandate chapter four: ensuring that people have a positive experience of care).*
- **Progress has been slow on transforming care to ensure those people with learning disabilities and autism receive safe, appropriate, high quality care.** In February 2015, NHS England acknowledged a lack of progress against the central commitment to move people from in-patient settings and into the community. The publication of *‘Transforming Care – Next Steps’* and the announcement of the hospital closure programme has increased confidence that the programme is at last beginning to deliver against its long-term goals. This confidence is strengthened by NHS England identifying five fast-track sites in which in-patient beds will be closed in favour of strengthened community services. NHS England has pledged technical support as well as a £10m transformation fund in order to support this project. NHS England will need to ensure clarity of roles and responsibilities for safeguarding in light of its programme of organisational change. A key contribution to improving safeguarding practice for children is the roll out of the Child Protection Information Sharing project. *(Mandate chapter four: ensuring that people have a positive experience of care).*
- **There is more work to be done in developing a strategic approach to the care needs of children and young people as well as maternity and early years care.** It remains a concern that children’s health outcomes are not a sufficient focus of

NHS England's dialogue with CCGs. It will also be important for NHS England to ensure that there is momentum on the delivery of models of personalised maternity care and improving the ability of women to make informed choices about their care following its major review of the commissioning of NHS maternity services that was announced in March 2015. (*Mandate chapter four: ensuring that people have a positive experience of care*).

- **There is a need for NHS England to ensure that CCGs are appropriately supporting children and young people with special educational needs and disabilities.** NHS England has done some good work with the Council for Disabled Children, running joint stakeholder events and funding the development of guidance. I would like NHS England to consider further how it can balance CCGs' autonomy with gaining assurance about how the new commissioning arrangements, introduced by the Children and Families Act 2014, are working. (*Mandate chapter four: ensuring that people have a positive experience of care*).
- **There is still more work to be done in terms of consolidating the use of research evidence and promoting a research culture within NHS England.** NHS England was slow to develop a research plan and it is working with the Department to improve the way in which excess treatment costs are managed. I know that work on the research plan is ongoing and NHS England will need to ensure that this sets out concrete actions with a timeline and clear methodology for delivery that demonstrates NHS England's direct contribution to the support and promotion of economic growth by the NHS. (*Mandate chapter seven: broader role of the NHS in society*).

Finally, I will highlight the following progress that NHS England has made as it matures as an organisation.

- **NHS England has continued to demonstrate its commitment to organisational transparency through the live streaming of its board meetings and through its online presence.** There is more to do to strengthen engagement with service users and stakeholders, in order to build on their views and concerns when developing and implementing policy. NHS England will need to do more to ensure it is providing consistent timely responses to correspondence and I welcome the review that you have undertaken of patient and public involvement.
- **I know that NHS England has, and will continue to, strengthen processes and controls to address the issues raised by internal and external auditors specified in the annual report.** I ask that over the next year steps are taken to ensure that all levels of the organisation comply with these processes and controls.

Overall, my assessment is that during a challenging year there was improving performance from NHS England in 2014-15. Despite the financial challenges that it has faced, NHS England has continued to play a crucial role in delivering a world class health system. In the NHS Five Year Forward View, a clear unified vision for the future of health provision has been articulated and I know that NHS England will continue to lead the way in making this a reality.



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