

## **NHS COMMISSIONING BOARD AUTHORITY**

### **Minutes of a private meeting held on 19 July 2012**

**Present** Professor Malcolm Grant – Chair  
Sir David Nicholson – Chief Executive  
Lord Victor Adebawale – Non-Executive Director  
Mr Ciaran Devane – Non-Executive Director  
Dame Moira Gibb – Non-Executive Director  
Mr Naguib Kheraj – Non-Executive Director  
Mr Ed Smith – Non-Executive Director  
Mr Paul Baumann – Chief Financial Officer  
Mrs Jane Cummings – Chief Nursing Officer  
Mr Ian Dalton – Chief Operating Officer/ Deputy Chief Executive  
Mr Jim Easton – National Director: Transformation  
Dame Barbara Hakin – National Director: Commissioning Development  
Tim Kelsey – National Director for Patients and Information  
Mr Bill McCarthy – National Director: Policy  
Ms Jo-Anne Wass – National Director: HR  
Ms Lorraine Middlemas – Board Secretariat

**Apologies:** Ms Margaret Casely-Hayford – Non-Executive Director  
Sir Bruce Keogh – National Medical Director

### **MINUTES OF MEETING – 31 MAY 2012**

#### **Item 1 - Minutes of previous meeting**

1. The minutes of the previous meeting, held on 31 May 2012, were approved. Good progress against the action log from the previous meeting was noted.

#### **Item 2 – NHS Commissioning Board overarching programme update**

2. This paper provided an update on delivery of the NHS Commissioning Board's (NHS CB's) development and implementation programme. Board members were asked to note current progress on delivery.
3. There had been no deterioration in reporting on the programme, and work was progressing well. The key things worth noting were:
  - an improvement in specialised commissioning;
  - progress had been made on developing the relationships with colleagues working on public health;
  - there was a risk relating to ensuring that the right people were engaged on the authorisation process; and
  - the Department of Health (DH) would be conducting a state of readiness review on the whole programme in October, with a view

to gaining assurance that the NHS CB would be able to manage and deliver its work programme.

4. The risk register showed a positive change on risk 30, the NHS CB matrix process, with the risk moving from amber/red to amber. The reason for the change was that the theory of the matrix working was being put into practice, and there had been many discussions on how the process would improve alignment towards outcomes.
5. Further work was required by the executive team to understand how they could contribute more to matrix working, particularly regarding behaviours around collaborative working – this being taken forward through two executive awayday sessions as well as ongoing discussions through the future design groups (FDG).

**Action: The executive team to consider how they can contribute further to the matrix way of working, regarding behaviours and collaborative working.**

6. Board members asked how team and individual objectives were set, emphasising the importance of covering the issue of behaviours. This work was progressing and would link to that being done by Tim Kelsey. Board members agreed that good progress was also being made on working with Local Government.
7. Board members requested that all future programme updates be submitted in a larger font and a format that could be used on the IPAD.
8. The Board noted the current progress with delivery of the programme.

**Action: Bill McCarthy to ensure that future programme updates have a larger font and are in a format that could be used on an IPAD.**

## **Item 2 – NHS Commissioning Board gateway review action plan**

9. In February 2012, the Cabinet Office conducted a gateway review of the NHS CB's establishment programme. This paper provided a further update on delivery of the action plan.
10. The Board asked about next steps with regard to the gateway process, and it was noted that at present, there was no commitment to hold a further gateway review of the establishment programme.
11. The new non-executive directors asked to see the NHS CBA's response to the gateway review.
12. The Board noted the progress made against actions in the Gateway Review Action Plan, also noting there had been slippage on the testing of contingency planning.

**Action: Bill McCarthy to send the new non-executive directors the NHS CBA's response to the gateway review.**

### **Item 3 – Corporate IT**

13. The Board received an update on progress to secure corporate IT services for the NHS CB.
14. Overall, the service offer from DH/ATOS had improved through negotiation and matched the benchmark offers tested in other parts of the NHS. However, DH had still not provided the NHS CBA with a final price for the service, so the Board could not be asked to sign-off the offer. It was hoped the price would be known by the end of July 2012 and anticipated this offer would be affordable within the NHS CBA's budget provision (£25m).
15. It was agreed that prior to sign-off, the NHS CBA required an agreement for direct access to ATOS, rather than mediating this through DH.

**Action: Tim Kelsey to work with the corporate IT team on gaining direct access to suppliers.**

16. Advice had been sought from Tim Kelsey's team on the offer, but, given that Tim Kelsey had just joined the organisation, it had not been possible to take his view, personally. The Board agreed that Tim Kelsey should view the offer to ensure it stood up to scrutiny. The review should cover flexibility of provision, value for money, the direct relationship with suppliers, the size of any penalties, and the overall quality of the package.

**Action: Tim Kelsey to work with the corporate IT team to scrutinise the corporate IT offer with DH and ATOS to ensure flexibility of provision, value for money, the direct relationship with suppliers, the size of any penalties and the overall quality of the package.**

17. Board members requested a Board development workshop covering:
  - informatics in the NHS; and
  - utilising information and technology across the system, to also cover governance, security and privacy issues.

**Action: Tim Kelsey to liaise with Jo-Anne Wass regarding holding a Board development workshop on “informatics in the NHS” and “utilising information and technology across the system, to also cover governance, security and privacy issues.**

18. The Board agreed to delegate authority to sign-off the contract, on the condition that final costs being submitted would be within budget, and

that a satisfactory memorandum of understanding (MOU) was in place to underpin direct access to the supplier.

#### **Item 4 – Proposal on the programme arrangements for hosting CSSs**

19. The Board received an update on the Commissioning Support Services (CSS) hosting arrangements. At a previous meeting, the Board decided that the NHS CB would host CSS. Based on this decision, NHS CBA colleagues had approached colleagues at the NHS Business Services Authority (NHS BSA) regarding a proposal for this organisation to support this arrangement.
20. The NHS BSA had been concerned about the huge undertaking the “arms length” hosting arrangements would entail, mainly the financial risk of future redundancies, and its capacity to deliver the work. However, they had received reassurance both from a DH commitment to underwrite the financial risk, and from an understanding that there would be a minimal impact on capacity as the vast majority of functions would be undertaken by the CSS themselves. Therefore NHS CBA colleagues were expecting an offer from the NHS BSA on the hosting arrangements.

**Action: Barbara Hakin to keep the Board informed of progress on the NHS BSA hosting arrangement.**

21. A project plan was being developed to support the CSS hosting arrangements. This plan would be brought to the Board meeting in September.

**Action: Barbara Hakin to produce a project plan on the hosting arrangements for CSS for the September Board meeting.**

22. Board members were informed that two further check points had been added to ensure income and expenditure would match, that signed SLAs were in place with CCGs, and that the CSS had clear, deliverable business plans. They were also informed that the biggest risks for CSS were the recruitment of staff and establishing the programme team to support the work, as well as ensuring they had robust offers from those commissioning services from them – including the NHS CB itself.
23. The Board would need to be clear about its appetite to allow some CSS to become independent early, and to understand related potential risks such as those related to IT systems and intellectual property. Related to this, work would be required to investigate whether hosting in the interim provided an opportunity to build commonality of systems and avoid fragmentation.

**Action: Barbara Hakin to consider the appetite to allow CSS to become independent sooner, including the risks on IT systems and intellectual property.**

24. Board members noted the progress to date on the CSS transition programme, and noted the key milestones going forward, and the current risks. The Board was also content to approve the proposal in the paper on the governance assumptions.

#### **Item 5 – The Mandate**

25. This paper provided Board members with an assessment of the draft Mandate that has recently been published for consultation.
26. The process relating to the Mandate had been difficult and although Board members were still not happy with the document, it had improved since the initial draft. Detailed financial and analytical work was being undertaken on the deliverability and affordability of the Mandate objectives, and informal discussion had also begun with partner organisations.
27. Board members debated the possibility of the NHS CBA writing its own Mandate, not for publication but to use as a negotiating tool. However, this could be a high-risk tactic, as the NHS CBA could be viewed as negotiating itself a more favourable package. The approach should be balanced, as suggested in the paper, and there was a need to build confidence on delivery and share responsibility for the Mandate with DH. The Mandate needed to be sharper and clearer, with clarity about responsibilities that was readily understood by all.
28. In conclusion the Board agreed that the draft mandate was a missed opportunity on the part of DH to set out a clear and compelling vision for an NHS focused on outcomes, giving greater freedom and responsibility to clinical leaders, and revolutionizing the participation and engagement of patients and the public. In its current form it risked presenting a very managerial, process focused view of health reform.
29. While members acknowledged that ultimately the form of the Mandate is for Secretary of State to decide, they agreed that the NHS CBA should respond publicly in the first half of September, and should engage with partners including CCGs in formulating its response.

**Action: Bill McCarthy to work closely with the chair, non-executive directors and the executive team on the response to the Mandate, ensuring the draft document is cleared by correspondence, before it is sent to DH.**

30. The Board noted the publication of the draft mandate and the initial assessment and the proposals for the NHS CBA to engage with and respond to the consultation.

## **Item 6 – Proposal for strategy work**

31. This paper sought Board members views on initial steps in the agreed work to develop and discuss a future vision for health services and to note some early decisions to enable this phase of the work to proceed. The Board were also alerted to concerns that the substantial changes in NHS working may not happen locally at the pace and scale required.
32. The strategy work would need to triangulate:
- a national analysis of the case for change, working with DH. Think tanks and academic partners and linked to the next phase of the public spending review;
  - information on local cases for change emerging from the system and CCGs; and
  - results of stakeholder engagement across the NHS and with key partners, based upon the geographies of clinical senates and Academic Health Science Networks (including road show events supported by work with Nigel Edwards).

**Action: Jim Easton to liaise with Tim Kelsey to ensure that public commitment was included in the strategy proposal.**

**Action: Jim Easton to ensure that robust financial analysis is carried out on the proposal, linking to the CSR negotiation and the overall economic picture.**

**Action: Jim Easton to engage with NHS colleagues, partners and NHS CBA colleagues on the strategy proposal.**

33. The Board endorsed the proposed approach, and acknowledged progress, while noting that there was a risk to the proposed timetable. To progress the work, Board members were invited to send comments directly to Jim Easton.

**Action: Board members to send any comments on the strategy proposal directly to Jim Easton.**

## **Item 7 – Any other business**

34. There was no other business.