

Governing Body Meeting: 7 November 2013

Report on the Decision Making Arrangements for the NHS Vale of York Clinical Commissioning Group (CCG)

1. Introduction

The NHS Vale of York CCG has been formally established for six months and is a clinically led organisation. The decision making process for the organisation is defined by the Constitution and is delivered through the committee structure. A six month review of the committee structure was proposed to ensure the arrangements are clinically led, efficient, effective and offer robust governance for the organisation.

2. Scope of the Review

2.1 Scope

- Review of activity and decision making requirements in respect of the current Quality and Performance Committee, Finance and Contracting Committee, Business Committee and Management Team
- Communication between these meetings and the Governing Body
- Review of the schedule of meetings

2.2 The review does not include the Audit Committee, Remuneration Committee, Council of Representatives or Forums.

2.3 Principles

- All decision-making bodies require appropriate clinical representation
- Decision making should occur at the lowest possible level, in accordance with the Constitution and detailed financial policies to enable the most strategic levels to deal with the most significant issues (high risk/ high cost/ transformational)
- Meetings must be at appropriate intervals, efficient and focussed to make best use of time
- Members of a Committee must have decision-making authority, other people may be required as attendees

3. Current position

3.1 The NHS Vale of York CCG internal structure currently includes the Council of Representatives, the Governing Body (Governing Body Sub Committees: Business, Quality and Performance, Finance and Contracting), Remuneration Committee, Audit Committee and Management Team.

Overview of the current Decision Making Structure

| Decision-Making Body | Remit (Summary) | Membership | Frequency |
|--|--|--|---|
| Council of Representatives | Setting the vision and direction for the organisation, decision making on the composition of the Vale of York CCG and assurance on all decision making activity | Representatives from each GP practice within the Vale of York | Quarterly |
| Governing Body | Ensuring that the group has appropriate arrangements in place to exercise its functions effectively, efficiently and economically and in accordance with the groups principles of good governance. Decision making on investment/ disinvestment, plans, strategies, policies and financial commitments. | Lay Member (Chairman) Lay Member (Finance & Governance) 6 GPs Executive Nurse Secondary Care Doctor Chief Clinical Officer Chief Financial Officer Chief Operating Officer Practice Manager Representative 2 Council of Representatives Members | Monthly 1 st Thursday |
| Audit Committee (Group Committee) | Provides the governing body with an independent and objective view of the group's financial systems, financial information and compliance with laws, regulations and directions governing the group in so far as they relate to finance | Chair – Lay Member for Finance & Governance Internal and External auditors Practice Manager Representative In attendance Chief Operating Officer Chief Financial Officer Head of Integrated Governance Executive Nurse | Quarterly |
| Remuneration Committee (Group Committee) | Makes recommendations to the governing body on determinations about the remuneration, fees and other allowances for employees and for people who provide services to the group and on determinations about allowances under any pension scheme that the group may establish as an alternative to the NHS pension scheme. | Lay Members In attendance: Chief Clinical Officer HR Lead | Ad Hoc |

| Decision-Making Body | Remit (Summary) | Membership | Frequency |
|---|--|---|---|
| Quality and Performance Committee (Governing Body Sub-Committee) | Ensure that there is a detailed challenge and review of all aspects of quality and performance of the NHS Vale of York CCG and that, where there are any variations in quality and performance, remedial action plans are put in place. | Lay Member of the Governing Body (Chair) Governing Body GP clinical lead for Quality Governing Body GP clinical lead for Performance The Executive Nurse and the Chief Operating Officer, together with any other Chief Officer or member of staff, may be asked to attend as necessary | Monthly 3 rd Wednesday |
| Finance and Contracting Committee (Governing Body Sub-Committee) | Drive and monitor the implementation of the Integrated Commissioning Plan and ensure that there is a detailed review of all aspects of financial performance of the CCG and that, where there are any variations in performance, remedial action plans are put in place. | Chair of the Governing Body (Chair) Three Lay Governing Body Members Chief Clinical Officer Chief Operating Officer Chief Finance Officer In attendance: Finance Office Contracting Officer | Monthly 1 st Thursday (after Governing Body) |
| Business Committee (Governing Body Sub-Committee) | Drive and monitor the delivery of the Integrated Commissioning Plan, report progress and provide assurance of delivery against their specific area of the plan. Confirm and Challenge role for QIPP projects, review of Business cases for Governing Body approval and ensure equality issues are addressed in commissioning plans | Chief Clinical Officer Chief Operating Officer Chief Finance Officer Governing Body GPs Executive Nurse Director of Public Health and Well-being, City of York Council Representatives of North Yorkshire and Humber Area Team, NHS England Members of the management team "in attendance" as appropriate | Monthly 3 rd Thursday |
| Management Team | To monitor day-day delivery across the organisation, consider Initial Viability Assessments for QIPP projects and confirm and challenge existing QIPP projects. | Senior Management, Clinical leads | Weekly Tuesday |

- 3.2 The organisation has delivered significant amounts of work over the past six months, driven by the Governing Body and the Committees. However, the number and frequency of meetings places a significant time demand for the clinical leads and officers required to attend most of the meetings. This is of a particular note for clinical leads who work on a sessional or part time basis for the CCG.
- 3.3 The logistics of delivering actions between meetings and the production and checking of papers can be challenging. In addition the scheduling of meetings, for example the Finance and Contracting meeting being held immediately after the Governing Body, or the Quality and Performance Committee being held in the same week as the deadline for papers for the Governing Body can put pressure on the system or lead to delays in reporting activity or decisions to the Governing Body.
- 3.4 The commissioning work (QIPP projects) is relevant for a number of committees, most notably Business Committee and Finance and Contracting, which has similar terms of reference in relation to commissioning. This can result in projects being reported and decisions agreed in more than one Committee.

4. Drivers for Change

- 4.1 In consultation with Committee attendees, clear themes have emerged for improvement with the current structure.
- Reviewing the cycle of meetings to ensure the latest information is available to inform decision making
 - Avoiding duplication of reporting at different committees
 - Enabling broader clinical attendance at meeting
 - Improved communication between the Committees and between the Committees and the Governing Body
 - Structure meetings to be of best use of time (forward plans/ succinct items etc.)
- 4.2 At the inception of the authorised CCG, the organisation had not set out the detailed financial policies underpinning the Prime Financial Policies and the Constitution. These detailed financial policies set the financial thresholds for managers to authorise decisions across the organisation. Applying the detailed financial policies allows decision making at different levels of the organisation, enabling the most senior levels to concentrate on the most strategically significant areas.
- 4.3 The current structure is not explicit around the regular reporting routes for the partnership arrangements. The CCG is represented at a number of partnership boards and forums, either through direct representation, for example the Strategic Collaborative Commissioning Group, or indirectly via the Commissioning Support Unit (Clinical networks) or the Partnership Commissioning Unit (Children's Trust Boards etc). It is important activity in relation to those groups is well communicated within the decision making structure.

5. Proposal

Structure

5.1 The existing levels of decision making;

- Council of Representatives,
- Governing Body,
- Committee,
- Management Team,

are appropriate and in line with most CCGs and public sector organisations. However it is proposed that the number of Governing Body sub-committees could be reduced within the NHS Vale of York CCG.

5.2 There is a similarity in the terms of reference, and the work reported to the committees is inter-related. Contract and performance issues addressed at the Quality and Performance Committee affect the financial position and aspects of the current QIPP programmes, which are considered at Finance and Contracting Committee. The identified QIPP programmes have an impact on the financial position and should also be informed by quality and performance issues in the local area. The Business Committee and Finance and Contracting Committee are both required to review the commissioning plan and provide financial input into new schemes. Management Team can also review Business Cases for new schemes in addition to the Business Committee.

5.3 On this basis it is proposed that the three existing Governing Body Sub-Committees are integrated into a single 'Performance and Finance Committee'.

Communication Flow

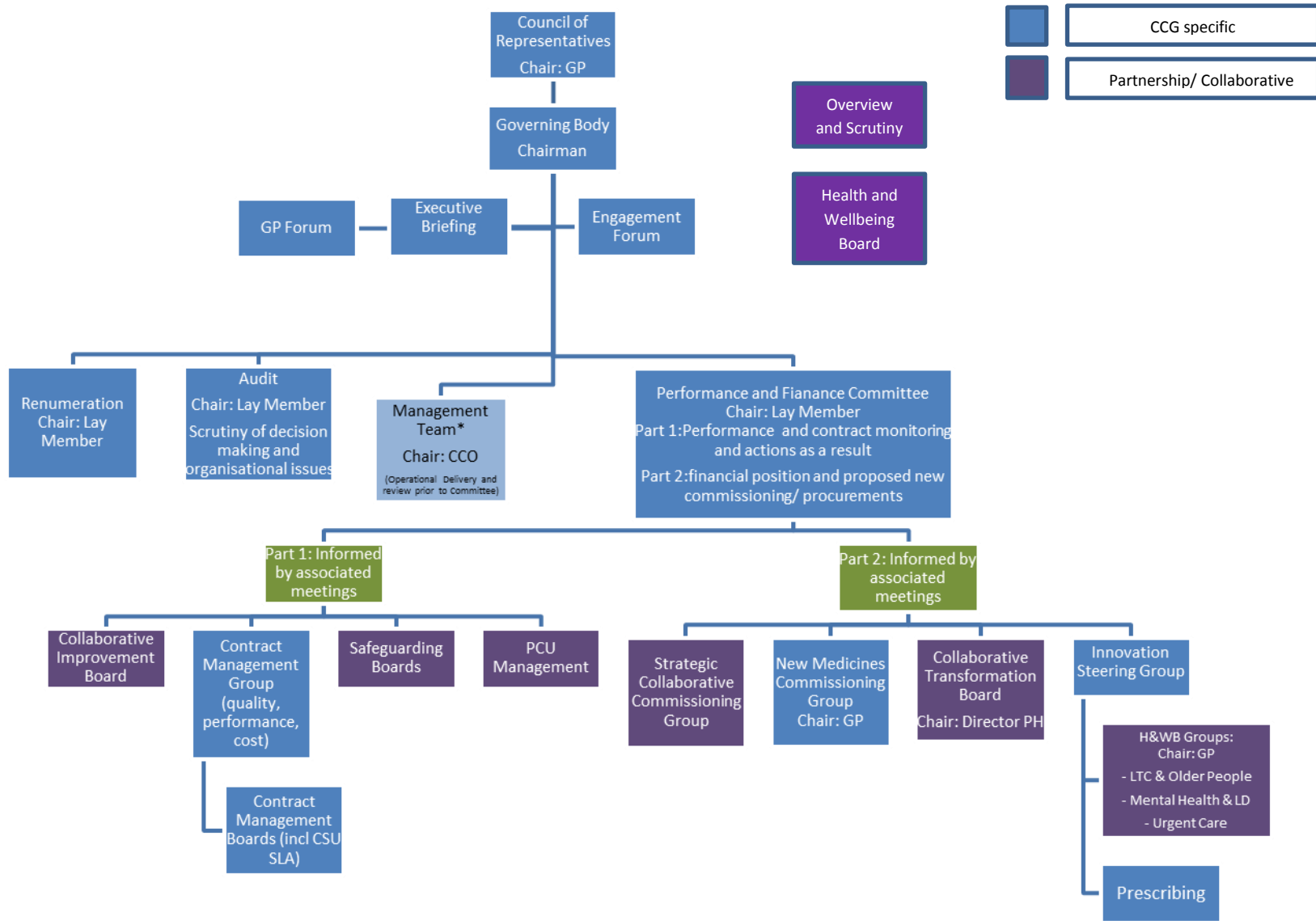
5.4 Decisions should be made in accordance with the scheme of financial delegation, however reporting of decisions is essential to maintain good communications and provide assurance to the Governing Body. It is proposed that the following are established to enable this:

- Dedicated pre-brief with the Chair of the Governing Body (and lay members as appropriate) prior to circulation of the Governing Body papers.
- Each committee or Board provides a short Chair's report of decisions and issues for reporting to the Governing Body
- The Chief Clinical Officer's report to the Governing Body to include
 - Briefing e.g. Summary of CCG activity/ key messages/ horizon scanning
 - Decisions log of all decisions made at Management Team in the period since the last Governing Body
 - Areas of current work/ potential decisions
 - Engagement activity
 - Council of Representatives Update (when applicable)
- Management Team minutes to be available to Governing Body members.

- Simplified cover sheet for reports, highlighting the strategic linkages, financial and performance implications. This should be standardised across the Governing Body and Committees
- Key messages and required actions produced and distributed to all stakeholders in advance of the formal minutes for Committees and the Governing Body
- Forward Plans for the Council of Representatives, Governing Body, Committees and Management Team.
- Enforcement of the Committee protocol on paper deadlines, with late papers only included with the permission of the Chair.

5.5. Audit Committee retains the authority to review any decision made by the CCG, at any level.

Proposed Decision Making Structure



Proposed Structure: Overview

| Decision Making Body | Remit and Authority | Membership | Frequency | Reporting/ Communication | Information Required |
|-----------------------------|--|---|---|---|---|
| Council of Representatives | <p>Setting the vision and direction for the organisation.</p> <p><i>Decision-making on the composition of the Vale of York CCG, scheme of delegation and assurance on all decision making activity. Ability to call in Governing Body decisions</i></p> | Representatives from each GP practice within the Vale of York | Quarterly | Key messages distributed to all staff and stakeholders | <p>Chief Clinical Officer Report (decisions made and pending)</p> <p>Performance and Quality Dashboard Overview</p> <p>Assurance Framework significant risks</p> |
| Governing Body | <p>Ensuring that the group has appropriate arrangements in place to exercise its functions effectively, efficiently and economically and in accordance with the groups principles of good governance.</p> <p><i>Delegated authority from the Membership for organisational decision making.</i></p> <p><i>Decision making on annual priorities, assurance on activity and engagement and decision making on action for significant risks and high-cost commissioning, authorisation in line with the scheme of financial delegation.</i></p> | <p>Lay Member (Chairman)</p> <p>Lay Member (Finance & Governance)</p> <p>6 GPs</p> <p>Chief Nurse</p> <p>Secondary Care Doctor</p> <p>Chief Clinical Officer</p> <p>Chief Financial Officer</p> <p>Chief Operating Officer</p> <p>Practice Manager Representative</p> <p>2 Council of Representatives Members</p> | <p>Monthly</p> <p>1st Thursday</p> | <p>Key messages distributed to all staff and stakeholders</p> <p>Actions delegated to officers and committees</p> | <p>Chief Clinical Officer Report</p> <p>Report from Chair of each Committee</p> <p>Performance & Quality Dashboard overview and exception reports</p> <p>Assurance Framework significant risks</p> <p>Financial monitoring report</p> |

| Decision Making Body | Remit and Authority | Membership | Frequency | Reporting/ Communication | Information Required |
|--|---|--|---|--|--|
| Performance and Finance Committee (Governing Body Sub-Committee) | <p>Part 1: Performance, quality and contract management reporting and actions as a result</p> <p><i>Decisions on required action as a result of in-year issues (contract/ quality issues)</i></p> <p>Part 2: Financial planning and implementation of the commissioning plan, in light of Part 1 issues and escalated QIPP issues. Review of business cases and equalities challenge on new proposals</p> <p><i>Decision making on changes for the future, relevant authorisation of extensions/ roll over of contracts in line with the scheme of financial delegation for the Chief Clinical Officer, Chief Financial Officer or Chief Operating Officer.</i></p> | <p>Lay Member (Chair) 3 GPs (<i>Membership Representation/ link to Council of Representatives</i>) Chief Clinical Officer Chief Operating Officer (and/or deputy) Chief Financial Officer Deputy Finance Officer Chief Nurse</p> <p>In attendance: Head of Contracting Head of Finance Clinical leads to attend as appropriate</p> | <p>Monthly 2nd Wednesday or Thursday (to enable clinical attendance)</p> | <p>Chair's summary to the Governing Body</p> <p>Escalation of issues to the Governing Body</p> | <p>Performance and Quality Dashboard (Quality indicators, constitutional indicators, local priorities)</p> <p>Finance monitoring report</p> <p>Risk Registers for QIPP, Finance and Quality.</p> <p>Quarterly performance reports for CSU and PCU</p> <p>Partnership activity update</p> |
| Audit Committee (Group Committee) | <p>Provides the governing body with an independent and objective view of the group's financial systems, financial information and compliance with laws, regulations and directions governing the group in so far as they relate to finance</p> <p><i>Decision on the approval of internal auditors and audit plans, external audit fees and Counter Fraud programme</i></p> | <p>Chair – Lay Member for Finance & Governance Internal and External auditors Practice Manager Representative</p> <p>In attendance Chief Operating Officer Chief Financial Officer Head of Integrated</p> | Quarterly | <p>Key messages to staff</p> <p>Chair's summary to the Governing Body</p> | <p>Information requested by the Chair</p> <p>Incidents, losses and damages reports</p> <p>Internal and External Audit reports</p> |

| Decision Making Body | Remit and Authority | Membership | Frequency | Reporting/ Communication | Information Required |
|--|---|--|---|---|--|
| | | Governance Chief Nurse | | | |
| Remuneration Committee (Group Committee) | Makes recommendations to the governing body on determinations about the remuneration, fees and other allowances for employees and for people who provide services to the group and on determinations about allowances under any pension scheme that the group may establish as an alternative to the NHS pension scheme. <i>Approve the terms and conditions, remuneration and travelling or other allowances for governing body members, including pensions and gratuities.</i> | Lay Members In attendance: Chief Clinical Officer HR Lead | As Hoc | Chair's summary to the Governing Body Recommendations to the Governing Body | Information requested by the Chair |
| Management Team | Responsibility for organisational and operational delivery, internal policies (e.g. health and safety), monitoring of performance against the Integrated Operational Plan and low cost Business Cases and review of higher cost/ risk IVAs prior to Committee <i>Organisational decisions, authorisation non-pay contracts, extensions/ roll over for contracts in line with scheme of financial delegation for the Chief Clinical Officer (up to £250k for new contracts) oversight of service delivery and support for new proposals</i> | Chief Clinical Officer 2 GP clinical leads Chief Operating Officer Chief Financial Officer Deputy Finance Officer Deputy Chief Operating Officer Executive Nurse (additional senior managers as required) | Weekly Tuesday/ Wednesday to enable GP attendance | Business Case to Committee Chief Clinical Officer report to Governing Body on decisions made and decisions pending from Management Team Staff Briefings, to include e-version to clinical leads | Weekly performance & quality briefing Weekly briefing on QIPP Weekly financial briefing Monthly governance update Monthly CSU performance report Monthly PCU performance report |

6. Rationale for Change

Performance and Finance Committee

- 6.1 A single committee to replace the current Business, Quality and Performance and Finance and Contracting Committees will enable collective decision-making around the performance of current contracts and providers, and the areas for review through QIPP or re-commissioning processes. The single committee will reduce confusion in the decision-making process and enable a corporate, collective understanding of the performance and financial position. Scheduling the meeting to enable items from the Committee to be escalated to the following month's Governing Body will improve communication and reduce unnecessary delays.
- 6.2 The reformed Committee will provide the route for reporting partnership activity and escalating the appropriate decisions to the Governing Body. The Performance and Finance Committee will reduce the bureaucratic burden on the organisation of administering a number of meetings, and provide additional time for officers and clinical leads to drive forward improvements. The revised arrangements offer an opportunity to discuss with the Membership how the CCG can support clinical engagement at the committee level, for example through a rolling attendance at the Performance and Finance Committee.
- 6.3 A single committee, with two parts will be a logistical challenge, and it will be important to ensure the committee deals with appropriately escalated issues and adheres to a forward plan to maximise efficiency. It is proposed that the single committee approach is reviewed after six months to ensure the agendas are not unrealistic to manage within the time frame for the meeting.

Management Team

- 6.4 The proposal enhances the Management Team decision-making in line with the detailed financial policies and scheme of financial delegation. This will enable lower cost proposals to be approved by Management Team, and be reported to Committee and Governing Body. It is proposed that the Chief Clinical Officer (within the Management Team) is given delegated authority to approve HR policies, where they are consistent with NHS Employers guidelines and have been through the Joint Trade Union Partnership.

Innovation Steering Group

- 6.5 The Innovation Steering Group is a new proposal, drawing from the previous Implementation Committee which provided oversight of the project management of QIPP. It is proposed that the Deputy Chief Clinical Officer establishes an Innovation Steering Group to provide programme management of the QIPP. This would monitor operational delivery and report changes to delivery and risks by exception to the Performance and Finance Committee. A revised Steering Group would provide oversight of the partnership thematic groups, such as the Urgent Care Working Group and include clinical leads, a non-exec role, Procurement, Business Intelligence and Governance Heads of Service, alongside the Senior Innovation and Improvement Managers.

Engagement

- 6.6 A revised engagement strategy for the CCG is in development; however, in discussions through the review it is proposed that the Governing Body receive updates on engagement activity through the Chief Clinical Officer's report. It is also proposed that each Committee, Board and Working Group in the structure diagram above has an 'engagement champion' to embed patient engagement at all points of decision making.

7. Logistical Considerations

The overview makes recommendations on the timeliness and scheduling of meetings, taking into account the need to prepare papers in advance and the availability of Business Intelligence information to inform performance dashboards. It is proposed that standard report formats are adopted for the Governing Body and Committees, and that each decision-making body has a forward plan to manage the business. This is already in place for the Audit Committee. It is proposed that a forward plan is considered at the first meeting of each committee or meeting following approval of the changes.

8. Towards Implementation

- 8.1 A draft Terms of Reference for the revised Performance and Finance Committee is attached for consideration. In addition to the Terms of Reference, the Chair of the Committee and schedule of dates need to be confirmed. Following confirmation of the proposals the Terms of Reference will be sent to required attendees and a date set for the Performance and Finance Committee.
- 8.2 Subject to Governing Body approval, draft forward plans will be developed for each decision-making body (these are in place for the Council of Representatives and the Audit Committee) and the Committee Procedures, with the revised template will be circulated to staff and stakeholders.
- 8.3 The Terms of Reference for the Innovation Steering Group will be developed, and a role outline developed for the patient engagement champions.
- 8.4 The Business Intelligence team are developing the revised dashboard to provide timely data to the CCG Committees and Governing Body, and the performance framework will be embedded in collaboration with the Quality and Performance team.
- 8.5 Communication on the changes will be sent to all staff and stakeholders through a briefing paper.

9. Recommendations

The Governing Body is asked to:

1. Approve the proposed changes to the Governing Body Sub Committees, Management Team and Innovation Steering Group.
2. Delegate authority to the Chief Clinical Officer (within the Management Team) to approve HR policies, where they are consistent with NHS Employers guidelines and have been through the Joint Trade Union Partnership.
3. Consider the draft Terms of Reference for the revised Performance and Finance Committee.
4. Consider the draft template for reports.
5. Confirm the Chair for the Performance and Finance Committee.
6. Consider the clinical representation at each meeting.
7. Confirm the proposed frequency of meetings to allocate meeting dates.
8. Approve the communication flow recommendation listed in 5.4.
9. Review the proposed information requirements to ensure all required data is implemented through the revised Dashboard.