

**An Extraordinary meeting of the Wolverhampton Clinical Commissioning Group
Governing Body**

will take place on Tuesday 21st May 2019 commencing at 1.00 pm

at Wolverhampton Science Park, Stephenson Room

A G E N D A

	1	Apologies for absence		
	2	Declarations of Interest		
		<i>Items for Discussion</i>		
	3	Sign off the accounts and annual report	Mr J Green	To follow
		<i>Items for Assurance</i>		
	4	Committee Annual Reports	Mr P McKenzie	1 - 58
	5	Any Other Business		
	6	Members of the Public/Press to address any questions to the Governing Body		
		Date and time of next meeting ~ Tuesday 9 July 2019		



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WOLVERHAMPTON CCG
GOVERNING BODY
21 MAY 2019
Agenda item 4

TITLE OF REPORT:	Committee Annual Reports
AUTHOR(s) OF REPORT:	Peter McKenzie, Corporate Operations Manager
MANAGEMENT LEAD:	Peter McKenzie, Corporate Operations Manager
PURPOSE OF REPORT:	To introduce the annual reports of the Governing Body Committees, which have been submitted to demonstrate that they have met their terms of reference.
ACTION REQUIRED:	<input type="checkbox"/> Decision <input checked="" type="checkbox"/> Assurance
PUBLIC OR PRIVATE:	This Report is intended for the public domain.
KEY POINTS:	<ul style="list-style-type: none"> • Each of the Governing Body Committees is required to assess how effectively it has met its terms of reference. • The committees discharge this duty by producing an Annual Report detailing their work to demonstrate how they have discharged their terms of reference. • The reports are submitted to the Governing Body to provide assurance that the Committees have achieved the requirements of their terms of reference.
RECOMMENDATION:	That the Governing Body receive and note the Committee Annual Reports.
LINK TO BOARD ASSURANCE FRAMEWORK AIMS & OBJECTIVES:	
3. System effectiveness delivered within our financial envelope	<u>Continue to meet our Statutory Duties and responsibilities</u> The Committee Annual Reports include details of how the Committees have discharged any statutory duties that have been delegated to them. The Committee Annual Reports have also been used to support the Accountable Officer in the preparation of the Annual Governance Statement.

1. BACKGROUND AND CURRENT SITUATION

- 1.1. The Terms of Reference for the committees of the Governing Body set out in the Constitution set out what their areas of responsibility are. The terms of reference also include a requirement to assess how effectively they have met these terms of reference and to demonstrate to the Governing Body how they have achieved this.
- 1.2. The committees discharge this requirement by producing annual reports detailing their work throughout the year. This builds on the regular reporting from each committee to the Governing Body to enable the Governing Body to make an overall assessment of how effectively the committees are operating.

2. ANNUAL REPORTS

- 2.1. As with previous years, the committees have chosen to reflect on their work based on broad themes drawn from their terms of reference rather than giving a chronological account of meetings throughout the year. This allows the Governing Body to have an overview of their work in each area and allowed the committees to objectively assess their effectiveness across the full scope of their areas of responsibility.
- 2.2. The Annual Reports are designed to complement the regular reports from the committees to the Governing Body, which have given detailed descriptions of the work undertaken on a monthly basis. The Annual Reports have been considered at Committee meetings throughout March and April.
- 2.3. As well as providing the Governing Body with assurance on the work of the Committees, the content of the annual reports has been used to support the Chief Officer in preparing the Annual Governance Statement, which forms part of the Annual Report. This includes brief details of work undertaken by each of the committees that relate to the CCG's overall governance framework.
- 2.4. Each of the committee's reports are attached for comment by the Governing Body. The reports also include details of attendance at Committee meetings throughout the year and will be published on the CCG's website.

3. CLINICAL VIEW

- 3.1. The clinical committee chairs have been involved in the production of the annual reports.

4. PATIENT AND PUBLIC VIEW

4.1. Not applicable.

5. KEY RISKS AND MITIGATIONS

5.1. There are no risks associated with this report. The reports include details of the work of the committees to manage risks associated with their work.

6. IMPACT ASSESSMENT

Financial and Resource Implications

6.1. There are no financial implications arising from this report.

Quality and Safety Implications

6.2. There are no Quality and Safety implications arising from this report.

Equality Implications

6.3. There are no Equality implications arising from this report.

Legal and Policy Implications

6.4. The annual reports have been produced in line with the requirement within the committee terms of reference. They have been used in the preparation of the Governance Statement as part of the assessment of the CCG's governance framework. No significant issues have been identified.

Name Peter McKenzie
Job Title Corporate Operations Manager
Date: May 2019

REPORT SIGN-OFF CHECKLIST

This section must be completed before the report is submitted to the Admin team. If any of these steps are not applicable please indicate, do not leave blank.

	Details/ Name	Date
Clinical View	N/a	
Public/ Patient View	N/a	
Finance Implications discussed with Finance Team	N/a	
Quality Implications discussed with Quality and Risk Team	N/a	
Equality Implications discussed with CSU Equality and Inclusion Service	N/a	
Information Governance implications discussed with IG Support Officer	N/a	
Legal/ Policy implications discussed with Corporate Operations Manager	N/a	
Other Implications (Medicines management, estates, HR, IM&T etc.)	N/a	
Any relevant data requirements discussed with CSU Business Intelligence	N/a	
Signed off by Report Owner (Must be completed)	Peter McKenzie	10/05/2019

ANNUAL REPORT

Audit and Governance Committee

2018/2019



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Audit and Governance Committee	April 2019	0.1
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RELATED DOCUMENTS

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1. Introduction

1.1 This report provides an overview of the work of the CCG's Audit and Governance Committee during the 2018/19 financial year. This Committee is the CCG's statutory Audit Committee, appointed in line with the Health and Social Care Act 2012 and its primary purpose, as defined in its terms of reference, is:-

"...to provide the governing body with an independent and objective view of the group's systems, information and compliance with laws, regulations and directions governing the group. It will deliver this remit in the context of the group's priorities, as they emerge and develop, and the risks associated with achieving them..."

1.2 In order to achieve this core purpose, the committee's terms of reference also set out detailed descriptions of specific duties and responsibilities required of it, which are undertaken as the committee meets throughout the year. These terms of reference are incorporated into the Clinical Commissioning Group's Constitution and published on the Group's website.

1.3 This report includes an assessment of how effective the committee has been in achieving its core purpose through meeting the duties and responsibilities in the terms of reference during the year. The evidence contained in this report will be shared with the CCG's Governing Body and also will be used to support the development of the organisations' Annual Governance Statement.

1.4 The committee had four scheduled meetings during the financial year:

- 17 April 2018
- 31 July 2018
- 13 November 2018
- 19 February 2019

As part of the process of signing off the CCG's Annual Report, Financial Statements and reports from the External Auditors the committee also held an additional meeting on 22 May 2018. Details of the attendance at all of these meetings are enclosed at Appendix 1 for information.

1.5 The committee, in line with its constitutional terms of reference, is chaired by the CCG's Lay Member for Audit and Governance and is made up of other Lay Members who serve on the Governing Body, including the Lay Member for Finance and Performance and an independent member.

1.6 All of the members of the committee have significant experience of financial, audit and governance and risk management matters. The committee considers that its independent make up is vital to ensuring that it discharging its duties in an appropriate way. The members aim to act as a 'critical friend' to the CCG's management team, providing challenge where required to ensure that robust systems of control are maintained.

2. Discharge of Duties during 2018/2019

2.1 As highlighted above, the Audit and Governance Committee has a key role in the CCG's Governance arrangements as its statutory Governing Body audit committee. As part of its role, it is charged with a number of specific duties by the Governing Body. These are listed in full in Appendix 2, but as part of its on-going review of effectiveness, the committee has chosen to group these duties into the following themes:-

- Internal Audit
- External Audit
- Governance
- Assurance/ Risk Management and Internal Control
- Accounting Matters

2.2 Details are set out below of the work undertaken by the committee during the year that give a picture of how these duties have been met. At its meeting in February, the Committee confirmed that this approach to reporting on its work and activity remained appropriate and also agreed to undertake a review of its broader effectiveness in line with national best practice.

Internal Audit

2.3 The committee is responsible for overseeing the work of the CCG's Internal Audit function. This service is provided by PriceWaterhouseCoopers (PwC), who develop an annual audit plan which is agreed by the committee and reported on throughout the year. PwC are represented at each meeting to ensure that the committee has adequate opportunity to examine their work. The committee considered an initial draft of the plan at the April 2018, noting that it was risk assessed against the CCG's Corporate Objectives in line with the Governing Body Assurance Framework. This ensured that resources were targeted in line with the areas of highest priority for the CCG and that the audit plan reflected the extent of the CCG's activities. Following suggestions from the committee around the allocation of time, the plan was agreed at the May 2018 meeting.

2.4 PwC provided an update on progress with the plan at the committee's subsequent meetings during the year, providing assurance that work was effectively on track. In addition as part of the plan, updates have been provided on progress with recommendations made in previous audit work. The committee has worked with PwC to refine how this detail is reported, in particular to support the committee in developing its understanding of reasons for any slippage in the implementation of recommendations.

2.5 As part of the update on progress, the committee has considered finalised reports from the Internal Audit team as they have been completed. At the April 2018 meeting, the committee considered reports arising from the 2017/18 Internal Audit plan on Information Governance, Management on Conflicts of Interest and the Procurement service provided by the Commissioning Support Unit. A further report on the CCG's arrangements for managing Quality, Innovation Productivity and Prevention (QIPP) undertaken in 2017/18 was considered in July 2018. In response to findings from this report, the CCG has refined the processes around how it reports and manages QIPP, details of which have been reported to the Committee.

- 2.6 In line with the internal audit plan, reports relating to Primary Care, Quality and Safety and joint commissioning arrangements with the City of Wolverhampton Council through the Better Care Fund have been considered throughout the rest of the year. The committee has taken the opportunity to review the findings and recommendations that have been made and action plans produced as a result. This year the committee has also asked for reports relating to Quality and Safety and Primary Care to be referred to the relevant Governing Body committees to ensure they are fully sighted on the findings and work being delivered in response.
- 2.7 A key output of the Internal Audit service is the overall Head of Internal Audit Opinion on the adequacy of the CCG's system of internal control. This forms part of the CCG's Annual Governance Statement in its Annual Report as well as being set out in the Annual Accounts. The committee considered a draft of the opinion in April 2018 and the final version in May 2018. This set out that the system of control was considered to be generally satisfactory with some improvements required, a finding based on the outcome of internal audit work conducted during the year. The committee were assured that this finding is in line with that of other public sector bodies.
- 2.8 Other work considered by the committee include the Internal Audit Charter, which was reviewed at the July and November meetings and draft terms of reference for an internal audit of Primary Care Commissioning arrangements in line with national guidance.

External Audit

- 2.9 The CCG's external auditors, Grant Thornton, have also provided regular progress reports to the committee on their work. This has included details of the risk assessment carried out to inform the 2017/18 audit, which was reported to the committee in April 2018. This set out a number of issues that were considered including the risk of fraud, the CCG's compliance with relevant statutory obligations and matters relating to the CCG as a going concern. Details of the audit itself, including the management representation letter from the CCG were presented to the May 2018 meeting when the committee were advised that the external auditors had given the CCG an unqualified opinion on its Annual accounts. This was confirmed in the annual Audit Letter presented to the July 2018 meeting.
- 2.10 Subsequent reports from Grant Thornton have given details of work planned for the 2018/19 audit work including details of contextual issues that are considered to impact on the audit. The reports from Grant Thornton have also provided details of national developments with the potential to impact on the committee or the CCG's work. This has included some benchmarking information from across both internal and external audit work.

Governance

- 2.11 The committee has maintained its overview of the CCG's governance arrangements, including understanding how these arrangements have been described in the organisation's annual governance statement. The 2017/18 statement was considered and endorsed at the April 2018 and May 2018 meetings following work highlighted in last year's annual report to develop the statement. The committee also agreed the final version of its 2017/18 Annual Report at the May 2018 meeting.

- 2.12 The committee has again been involved in the development of this year's Governance Statement, considering an initial report in November that outlined the structure and content of the template for the statement produced by NHS England and a more detailed report in February that set out an initial first draft. This was also accompanied by an assessment of the alignment of the CCG's corporate governance arrangements with the revised UK Corporate Governance Code. Whilst as a public body the CCG does not claim compliance with the code, it provides a useful reference point and the committee discussed areas of both equivalence and where future development would be useful.
- 2.13 As a key component of the CCG's governance arrangement, the committee has continued to consider its own effectiveness throughout the year. In April 2018, as part of the development of last year's committee annual report, the committee discussed a number of areas for development particularly around the appraisal process for committee members. As a consequence of these discussions, appraisal arrangements in line with those for members of the Governing Body are being put into place for committee members. In February 2019, the committee also considered an assessment for Audit Committees produced by the Healthcare Financial Management Association and an approach to continuing to assess its effectiveness, the outcome of which is outlined below in Section 3.
- 2.14 The committee is involved in the review of policies that make up the CCG's governance framework. During the year, the committee has reviewed the CCG's whistleblowing policy and associated arrangements and made a number of detailed suggestions to ensure that these arrangements operate effectively. In particular, whilst noting that no specific disclosures have been made under the policy, the committee have suggested that further communication with staff is undertaken in order to ensure there an open and transparent culture continues to be promoted.

Assurance/ Risk Management and Internal Control

- 2.15 Following extensive work last year to review and refine the CCG's arrangements for managing risk, the committee has picked up its new role in overseeing these arrangements. This has included receiving quarterly updates on the development of the CCG's Governing Body Assurance Framework (GBAF), which articulates risks to the CCG achieving its corporate objectives. The committee has been able to endorse the work undertaken to develop the GBAF and subsequently recommended it on to the Governing Body for detailed comment and consideration.
- 2.16 The GBAF is supported by assessment of risk throughout the organisation, including at each of the Governing Bodies committees. The Audit and Governance Committee has received an overview of the work undertaken by the other committees to manage the risks identified in their areas of responsibility. The Corporate Operations Manager has also provided updates to the committee on broader work to ensure risk management is effectively embedded within the organisation, including staff training and work to refine systems and processes.
- 2.17 In November 2018 the committee considered details of the first of a series of 'Deep Dives' into the individual domains which make up the GBAF. This had been undertaken by the CCG's Senior Management Team, who had reviewed the risk profile for the Corporate Objective relating to meeting the CCG's statutory duties and responsibilities. This review had reflected on whether risks associated with this domain had been effectively identified, assessed and managed and actions undertaken as a result. The deep dive had identified a need to further understand risks associated with staff resources supporting Black Country Sustainability and

Transformation Partnership (STP) programmes of work and the consequent uncertainty this created. Additional work with staff, including a series of Executive led staff meetings, had been undertaken as a result. The committee were assured that this exercise had sufficiently tested the level of risk associated with this objective and that risk management processes were being used as a tool to drive business improvement across the CCG. Further deep dives are planned for consideration by the committee, who are planning to invite relevant managers to discuss the assessments made and work undertaken to provide additional assurance.

- 2.18 An overview of other specific areas of internal control has been maintained by the committee. This includes regular updates on the work of the CCG's providers of Counter Fraud and Security Management services. These areas have broadly been managed by exception, with a work plan agreed at the April 2018 meeting, followed by details of progress against them. As in previous years, these arrangements have operated effectively and no significant issues have been identified during the year.

Accounting Matters

- 2.19 The committee has continued to undertake its statutory responsibilities in reviewing the CCG's arrangements for meeting its annual accounting and reporting duties. The 2017/18 draft and final annual report and accounts were considered at the April and May 2018 meetings respectively. In April, whilst noting that the CCG was required to adhere to nationally mandated timescales, the committee did highlight that the time available to review the accounts was significantly truncated. The committee were able to recommend the adoption of the accounts to the Governing Body in May 2018, noting the unqualified opinion from the External Auditors and the hard work of the CCG's teams throughout the year to ensure it met its financial statutory duties. A timetable for the preparation of the 2018/19 final accounts was considered at the February 2019 meeting.
- 2.20 In line with its terms of reference, the committee has also reviewed reports from the Chief Finance Officer at each regular meeting on the special payments, losses and the use of waivers and or breaches of the CCG's Detailed or Prime Financial Policies. The Chief Finance Officer has also provided an overview of receivables and payables greater than £10,000 and over 6 months old. The committee have used these reports to gain assurance that the processes the CCG has in place provide a significant level of internal control and no significant concerns have been raised as a consequence of these reports during the year. The committee have asked the Chief Finance Officer to continue to remind budget managers of the importance of following defined processes and for comparative information and trends to be provided in the new year.

3. Review of Effectiveness

- 3.1 In previous years, the committee has used a self-assessment tool for Audit Committees developed by the Department for the Environment, Food and Rural Affairs to assess its effectiveness. This has enabled the committee to highlight areas where further development would be helpful to improve its performance and ensure it continues to meet its roles and responsibilities. In response to areas highlighted from these reviews, the committee has instigated a programme of appraisals for committee members and introduced space on its agenda to provide feedback from the work of the CCG's own Governing Body as well as forums across the Black Country STP (including the Joint Commissioning Committee established by the four

Black Country CCGs and the Audit Chair forum that supports it). The committee has decided that this tool continues to be an effective way of assessing its own effectiveness and has undertaken a further assessment during the year.

- 3.2 As well as continuing to highlight that the committee's role and purpose is clear and well understood by both committee members and within the wider CCG, the self-assessment demonstrates that committee members feel that, broadly they have sufficient oversight of CCG wide issues and time available to conduct their role in a meaningful way. As with last year's assessment it has been noted that, due to the timing of meetings and the national deadline for the submission of accounts, the committee had had a more limited opportunity to review the annual accounts.
- 3.3 Areas that the review identified for further work in the upcoming year included ways in which independent members of the committee can be effectively sighted on the work of the Governing Body and the how committee can review its effectiveness throughout the year. Following a discussion at the April 2019 meeting, the Committee will also be building on existing good practice to include senior management attendance to support deep dives and to develop a skills matrix.

4. Conclusions

- 4.1 The committee believes that the evidence set out above demonstrates to the Governing Body that it has effectively met the requirements of its terms of reference. In particular, the committees enhanced role in risk management has enabled it to continue to seek and provide assurance to the Governing Body around the systems of internal control in a way that is making a demonstrable difference to the way the CCG operates.
- 4.2 The committee continues to be committed to continuous improvement, and will be using the outcomes of its assessment of effectiveness to ensure it remains able to respond to the challenges of maintaining robust governance arrangements in the fluid and developing environment in which the CCG operates.

Appendix 1 – Attendance at Meetings

Attendee		Meetings Attended (of those required)	Notes
Committee Members	Peter Price (Chair)	5 of 5	
	Les Trigg	5 of 5	
	Dean Cullis	5 of 5	
	Jim Oatridge	4 of 5	
CCG Staff	Tony Gallagher (Chief Finance Officer)	5 of 5	
	Peter McKenzie (Corporate Operations Manager)	5 of 5	
	Maria Tongue (Head of Financial Resources)	2 of 3	Left the CCG in January 2019
	Allan Kay (Head of Financial Resources)	1 of 1	Joined the CCG in January 2019
	Phil Strickland (Governance and Risk Coordinator)	1 of 1	
External Attendees	Joanna Watson (Senior Manager, PwC)	3 of 5	
	Neil Mohan (Senior Manager LCFS, PwC)	2 of 4	
	Shaun Grayson (LSMS, CWAS)	1 of 3	
	Jim McLarnon (Audit Manager, Grant Thornton)	4 of 5	
	Mark Stocks (Audit Partner, Grant Thornton)	3 of 5	
	Reena Bajaj (Internal Audit Manager, PwC)	1 of 1	
	Tansim Putwa (Counter Fraud Manager, PwC)	2 of 2	
	Tom O'Hann (Audit Manager, PwC)	1 of 1	
	Alison Breadon (Head of Internal Audit, PwC)	2 of 5	

Drs Helen Hibbs (Chief Officer) and Salma Reehana (CCG Chair) attended the May 2019 meeting.

1. Appendix 2 - AGC Duties (Extract from TOR)

The AGC is accountable to the group's governing body and its remit is to provide the governing body with an independent and objective view of the group's systems, information and compliance with laws, regulations and directions governing the group. It will deliver this remit in the context of the group's priorities, as they emerge and develop, and the risks associated with achieving them.

The AGC shall critically review the group's financial reporting and internal control principles and ensure that an appropriate relationship with both internal and external auditors is maintained.

The specific duties required of the AGC are:

- i) reviewing the group's adherence to the principles of good governance (constitution 4.5);
- ii) monitoring the group's performance in delivering:
 - (a) the duty to act effectively, efficiently and economically (constitution 5.2.3);
 - (b) its general financial duties as regards expenditure not exceeding allotments and use of resources, both total and specified types, not exceeding specified amounts (constitution 5.3.1 - 5.3.3);
- iii) monitoring the group's performance in delivering the duties relating to:
 - (a) acting consistently with the promotion of a comprehensive health service and the mandate issued for each financial year by the Secretary of State to NHS England (constitution 5.1.2(a));
 - (b) obtaining appropriate advice as part of processes for potential or actual changes to commissioning arrangements (constitution 5.2.9(b)).
- iv) reviewing the reasonableness of any decision to suspend Standing Orders and considering reports on any suspension of Standing Orders at any meeting (SO 3.9) and any non-compliance with Prime Financial Policies, scrutinising any proposed changes thereto and determining any referring action or ratification (PFP 1.2.1);
- v) reviewing the group's arrangements to manage all risks and receive appropriate assurance thereon through an integrated governance framework;
- vi) satisfying itself that there is an effective internal audit service (PFP3) and adequate arrangements for countering fraud (PFP4), reviewing the work and findings of the external auditors and approving any changes to the provision of delivery of assurance services to the group (PFP3.4(b));
- vii) reviewing the annual report and financial statements before submission to the governing body and the group; and
- viii) scrutinising any proposed changes to Prime Financial Policies (PFP 1.5.1).

Integrated governance, risk management and internal control

The AGC will review the establishment and maintenance of an effective system of integrated governance, risk management and internal control, across the whole of the group's activities that support the achievement of the group's objectives.

The AGC will be responsible for reviewing and approving the group's overall strategy for Risk Management and reporting to the Governing Body on its effectiveness.

Its work will dovetail with that of the other Governing Body committees, which the group has established in order to seek assurance that robust arrangements are in place for

- Financial and performance management arrangements;
- Effective arrangements for commissioning healthcare services (including those delegated from NHS England in respect of Primary Care); and
- monitoring clinical quality to ensure patient safety.

Each of the committees has a specific role in these areas and monitor and manage the risks associated with these areas on behalf of the Governing Body. The AGC will review the arrangements in place to support this and in particular, will review the adequacy and effectiveness of:

- all risk and control related disclosure statements, (in particular the governance statement), together with any appropriate independent assurances, prior to endorsement by the group;
- underlying assurance processes, including the work of the other committees of the governing body, that indicate the degree of achievement of group objectives, the effectiveness of the management of principal risks and the appropriateness of the above disclosure statements;
- policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements and related reporting and self-certification;
- policies and procedures for all work related to fraud and corruption as set out in Secretary of State's directions and as required by NHS Protect.

In carrying out this work the AGC will primarily utilise the work of internal audit, external audit and other assurance functions but will not be limited to these sources.

It will also seek reports and assurances from those working for and providing services to the group as appropriate, concentrating on the overarching systems of integrated governance, risk management and internal control, together with indicators of their effectiveness.

This will be evidenced through the AGC's use of an effective assurance

framework to guide its work and that of the audit and assurance functions that report to it.

Internal audit

The AGC will ensure that there is an effective internal audit function that meets mandatory NHS Internal Audit Standards and provides appropriate independent assurance to AGC, the Accountable Officer and the group. This will be achieved through:

- consideration of the provision of the internal audit service, its cost and any questions of resignation and dismissal;
- review and approval of the internal audit strategy, operational plan and more detailed programme of work, ensuring that this is consistent with the audit needs of the organisation as identified in the assurance framework;
- considering the major findings of internal audit work (and management's response) and ensuring co-ordination between the internal and external auditors to optimise use of audit resources;
- ensuring that the internal audit function is adequately resourced and has appropriate standing within the group;
- an annual review of the effectiveness and the level of satisfaction with the services of internal audit;
- approval of the internal audit charter.

External audit

The AGC will review the work and findings of the external auditors and consider the implications of their reports and any management responses to their work. This will be achieved by:

- consideration of the performance of the external auditors, as far as the rules governing the appointment permit;
- discussion and agreement with the external auditors, before the audit commences, on the nature and scope of the audit as set out in the annual plan, and ensuring co-ordination, as appropriate, with other external auditors in the local health economy;
- discussion with the external auditors of their local evaluation of audit risks and assessment of the group and associated impact on the audit fee;
- a review of all external audit reports including the report to those charged with governance, agreement of the annual audit letter before its submission to the group and work undertaken outside the annual audit plan, together with the appropriateness of management responses.

Other assurance functions

The AGC shall review the findings of other significant assurance functions, both internal and external, including regulators and inspectors, and consider the implications for the governance of the group. The AGC will approve any changes to the provision or delivery of assurance services to the group (PFP 3.4(b)).

The AGC has full authority to commission any reports or surveys it deems necessary to help it fulfill its obligations, with the necessary funding to be agreed with the Chief Finance Officer by the AGC's Chair.

Counter fraud

The AGC shall satisfy itself that the group has adequate arrangements in place for countering fraud, including the need to work effectively with NHS Protect, approve the counter fraud work plan and review the outcomes of counter fraud work (PFP 4.2 – 4.3).

Management

The AGC shall, as appropriate, request and review reports giving positive assurances or identifying risks from senior managers and those responsible for providing services to the group on the overall arrangements for governance, risk management and internal control

Financial reporting

The AGC shall monitor the integrity of the financial statements of the group and any formal announcements relating to the group's financial performance.

The committee shall ensure that the systems for financial reporting to the group, including those of budgetary control, are subject to review as to completeness and accuracy of the information provided to the group.

The AGC shall review the annual report and financial statements before submission to the governing body and the group, focusing particularly on:

- wording in the governance statement and other disclosures relevant to the terms of reference of the AGC ;
- changes in, and compliance with, accounting policies, practices and estimation techniques;
- unadjusted mis-statements in the financial statements;
- significant judgements in preparing of the financial statements;
- significant adjustments resulting from the audit;
- agreement of the letter of representation before it is signed, on behalf of the governing body; and
- qualitative aspects of financial reporting.

ANNUAL REPORT

Commissioning Committee

2018/2019



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Commissioning Committee	March 2019	0.1

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RELATED DOCUMENTS

These documents will provide additional information:

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1. Introduction

- 1.1 This report sets out the work undertaken by the Commissioning Committee during the 2018/19 financial year. It has been prepared to provide assurance to the Governing Body that the Committee is meeting the duties assigned to it and performing effectively.
- 1.2 The Committee has been established by the CCG's Governing Body to support the Governing Body, the Director of Strategy and Transformation and Executive Nurse in meeting the group's responsibilities as a commissioner of healthcare, specifically:
- acting consistently with the promotion of a comprehensive health service and the mandate issued for each financial year by the Secretary of State to the NHS England Commissioning Board, for which the Committee has developed a Commissioning Policy;
 - securing continuous improvement in the quality of services;
 - co-ordinating the work of the group as appropriate with NHS England, other clinical commissioning groups, local providers of services, local authorities, patients and their carers, the voluntary sector and others to develop robust commissioning plans.
- 1.3 The evidence contained in this report will be shared with the CCG's Governing Body and also will be used to support the development of the organisations' Annual Governance Statement.
- 1.4 The committee's membership requirements are set out in its Terms of Reference, stating that the Committee must be chaired by an elected GP member of the Governing Body, must include the Chief Finance Officer and can include other members of the Governing Body and employees of the group (including a commissioner). The members of the Committee during the year have been:-
- | | |
|---------------------------------------|--|
| • Dr Manjit Kainth | - Elected Member of the Governing Body (Chair) |
| • Dr Rashi Gulati | - Elected Member of the Governing Body |
| • Sally Roberts | - Executive Nurse |
| • Sarah Smith (until February 2019) | - Local Authority |
| • Andrew Wolverston (From March 2019) | - Local Authority |
| • Steven Marshall | - Director of Strategy and Transformation |
| • Cyril Randles | - Patient Representative |
| • Malcolm Reynolds | - Patient Representative |
| • Tony Gallagher | - Chief Finance Officer |
| • Vic Middlemiss | - Head of Contracting & Procurement |
- 1.5 The Committee met on the following occasions during the financial year:
- | | |
|---------------------|--------------------|
| • 26 April 2018 | • 25 October 2018 |
| • 31 May 2018 | • 29 November 2018 |
| • 28 June 2018 | • 31 January 2019 |
| • 26 July 2018 | • 28 February 2019 |
| • 30 August 2018 | • 28 March 2019 |
| • 27 September 2018 | |

Details of the attendance at all of these meetings are enclosed at Appendix 1 for information.

2. Committee Responsibilities

2.1 As highlighted above, the Committee is appointed by and is accountable to the Governing Body. The details of this are set out in the group's Constitution at Paragraph 6.9.5 e) which include the key duties outlined above. In order to fulfil this role, the detailed Terms of Reference for the Committee appended to the constitution include a number of specific responsibilities that guide the Committee's work. These are listed in full in Appendix 2, but can be summarised into the following broad themes:-

- Developing and reviewing commissioning strategies and policies
- Contracting
- Service Specifications and Procurement
- Service Review

2.2 Section 3 of this report details the committee's work during the year against these four themes. As in previous years, this evidence is being used to conduct an assessment of how effectively the committee has met its duties during 2018/19.

3. Work undertaken

3.1 This section sets out a summary of the Committee's work at meetings. Due to the nature of the Committee's work, a number of items have been considered at multiple meetings so, this section describes these on an issue by issue basis rather than providing a chronological account of the Committee meetings.

Developing and Reviewing Commissioning Strategies and Policies

3.2 As reported in the committee's last annual report, as the CCG has matured as an organisation, the amount of work undertaken by the committee in this particular area has somewhat reduced. This is because there was a significant amount of work to do as a new organisation to establish strategies, which are now in place and operating effectively. The CCG's strategies are now being reviewed at appropriate intervals and this year the committee has reviewed the Medicines Optimisation strategy and been assured that it was operating effectively.

3.3 The work that has been undertaken by the committee in this year reflects the changing context the CCG is operating in as it has focussed primarily on areas where we are working jointly with other organisations to develop strategies and policies. This includes both work with our local partners including Royal Wolverhampton Trust (RWT) and City of Wolverhampton Council (CWC) and more widely across the Black Country STP footprint.

3.4 Work with our local authority partners has included the development of Joint Strategies for Mental Health, Children with Special Educational Needs and Disabilities and Autistic Spectrum Disorders. The committee has been assured that CCG teams are working closely with their colleagues in the Council to ensure that our shared strategies align with our respective statutory responsibilities and shared aims to improve services for particularly vulnerable groups of patients.

- 3.5 We have also been working across the health system in Wolverhampton to develop a Joint Cancer strategy, both in line with the national strategic direction and in response to on-going performance challenges in the system. The committee were updated on the development of this strategy in November and January, recognising the work undertaken at the CCG, the Trust and by public health to develop a common strategic approach across the system.
- 3.6 The committee has also been involved in work across the Black Country to develop joint strategies in areas the CCGs are beginning to work together on. This has included Transforming Care for patients with Learning Disabilities and Maternity Services which have been discussed during the year. In August, the committee also received a set of commissioning intentions developed jointly across all of the CCGs which set out broad outlines of developing strategies for closer collaboration. As work continues during this year to achieve the plan for the STP to become an integrated care system with closer working between the CCGs, this collaborative strategic work will continue and increase.

Contracting

- 3.7 The committee receives regular assurance on how the CCG is managing its contracts from the Head of Contracting and Procurement. A monthly report provides an overview of contractual performance and gives details of both actions through Contract Management meetings and the use of any contractual sanctions. As well as detailing the performance and action undertaken in relation to the CCG's main providers Royal Wolverhampton Trust (RWT) and Black Country Partnership Foundation Trust (BCPFT) the report also provides details of any significant issues with the CCG's other providers by exception.
- 3.8 The reports this year have not only reported on performance issues and activity monitoring but also work to introduce new approaches to contracting through the introduction of a risk and gain sharing arrangement with RWT. This aims to support a more collaborative and integrated approach to working across the health and care system in Wolverhampton through an Integrated Care Alliance (ICA). The CCG is working with partners across the system to understand how contracting will operate in a new environment and the committee will continue to be involved in these discussions as this work progresses.
- 3.9 Performance matters reported in relation to RWT have included A&E waiting times and cancer waits, matters which are also reported through to both the Finance and Performance and Quality and Safety committees. The reports have detailed contractual actions taken to address these issues including discussions at the CCG's contract review meetings and the use of contractual sanctions where appropriate. Following a delay in national guidance on the application of sanctions, the committee was advised that they would be included in the contract by variation and be reinvested to support service improvement. The committee has also received an update on the impact of the CCG's Quality Innovation Productivity and Prevention programme on the contract with the Trust.
- 3.10 The committee's work in relation to BCPFT has featured joint work between the trust and the CCG to identify opportunities deliver service improvements for patients. The committee has also been appraised throughout the year on work to improve the data quality of the Trust's reporting. A number of performance issues have also been brought to the committee's attention, including meeting targets for Improving Access to Psychological Therapies.

- 3.11 A number of issues in relation to the CCG's other contracts have been considered during the year. Most notably, the committee has been updated on work with West Midlands Ambulance Service (WMAS) in relation to Non-Emergency Patient Transport services. Following reports that key performance targets were not being met, the committee has been advised that the CCG has been in detailed discussions with WMAS on actions to ensure the effective continuation of the service.
- 3.12 As reported in last year's annual report, the committee had received updates on work with the CCG's urgent care centre provider Vocare to address performance concerns with their service. The committee has been pleased to note that, following intensive action including significant support from the CCG, demonstrable improvements have been seen at this provider resulting in a positive inspection from the Care Quality Commission in November 2018. The committee also received updates on other contracts throughout the year including the Thrive into work programme hosted on behalf of the West Midlands Combined Authority and contracts to which the CCG was an associate commissioner including with Staffordshire and Stoke-on-Trent Partnership Trust and Marie Stopes.
- 3.13 As a delegated commissioner of Primary Care, the CCG exercises functions on behalf of NHS England through its Primary Care Commissioning Committee. However, this committee has also received periodic updates on contractual changes in Primary Care throughout the year as part of the overview of contracting activity. The committee was also asked to support the provision of additional funding to general practices to take remedial work to address an issue related to a Document management system used in primary care that resulted in a large number of documents – most of which were routine – not being included in GP systems. The committee agreed to provide funding to practices to pay staff to review these documents and identify any actions required to support patients as a result.

Service Specifications and Procurement

- 3.14 The committee plays a significant role in supporting the CCG through its commissioning process, in particular reviewing specific service specifications making recommendations on procurement decisions. During this year, the committee has reviewed a number of service specifications for pilot projects, including a night re-positioning service in care homes for patients affected by pressure injuries and an individual placement and support service for patients across the Black Country. The committee also supported the provision of funding to support a pilot project across the STP to deliver medicines optimisation in care homes.
- 3.15 In addition to the development of new services, the committee has also considered a number of revisions to the specifications for existing services provided in Wolverhampton. This has included anti-coagulation, continence, dermatology, musculoskeletal, spirometry and audiology services provided in the community and more specialised services including the services provided via Acorns children's hospice. The committee also agreed the specification for the Independent Living Service that will provide community equipment.
- 3.16 As in previous years, following work to develop and revise service specifications, the committee has supported the procurement process by recommendations to either the Governing Body or CCG Directors in relation to new or revised services. Specific procurement matters considered have included options for the mental health rehabilitation service provided at Victoria Court, additional provision for diabetes prevention, framework arrangements for continuing healthcare, software provided in

primary care to support medicines optimisation and termination of pregnancy services.

- 3.17 The Head of Contracting and Procurement has also provided the committee with quarterly updates on procurement. This has included details of planned procurement activity and the support and advice provided by the Arden and GEM Commissioning Support Unit. Other matters considered by the committee included the provision of grant funding to voluntary sector organisations for projects impacting on health and care.

Service Review

- 3.18 The committee's work on service review this year has incorporated two distinct elements. As highlighted earlier in the report, as the CCG has matured this has meant that a number of services have reached the threshold for routine review. This has included community falls services, diabetes provision, glaucoma services and mental health support services provided by the African Caribbean Community Initiative (ACCI). The committee also undertook a review of a newly established service to support young people's emotional health and wellbeing.
- 3.19 The second element of service review work has been the development of new initiatives and service innovation to address gaps or challenges in service provision. This has included a review of services to support smoking cessation in pregnancy, where the committee supported investment in additional services in order to deliver improvements in infant mortality. The service aimed to provide a system wide approach to deliver support to those who needed closer to home through an evidence based approach to service delivery.
- 3.20 The committee has also been involved in discussions supporting service development across the STP through closer collaboration with other CCGs. This has included work on the 'one commissioner' programme supporting common commissioning of mental health services across the Black Country and the development of an elective care transformation programme. These programmes aim to reduce unwarranted variation in outcomes across the STP footprint and to identify opportunities where common approaches will deliver improvements for patients across the CCGs. As the STP programme of work continues to deliver the committee is likely to be increasingly involved in such areas of work.

Risk Management

- 3.21 In common with the CCG's other committees, the committee takes a role in the CCG's risk management arrangements by reviewing risks that impact on the committee's areas of responsibilities. The committee reviews risks on a monthly basis, assessing whether the identified levels of risk and actions taken to address them are appropriate. The committee have also escalated risks to the Governing Body where they feel this is appropriate to do so. Specific risks that have been managed during the year have informed some of the work undertaken by the committee during the year. This has included risks identified around Non-Emergency Patient Transport and community equipment services.

4. Conclusions

- 4.1 The committee believes that the evidence presented above demonstrates both the breadth of its work and that it has continued to work effectively to meet its terms of

reference. The committee has had another productive year providing support to the CCG's commissioning functions. This is vital in ensuring that the organisation continues to meet its statutory duty to commission a comprehensive health service for patients in Wolverhampton.

- 4.2 The committee recognises that the changing context in which the CCG is operating will have an impact on its work as it moves forward. In particular, as plans for the CCGs in the Black Country to work more closely together and develop a shared management team, the committee will need to have a wider focus than just the services commissioned and provided in Wolverhampton. It will however remained focussed on ensuring all services commissioned for Wolverhampton patients are fit for purpose and deliver appropriate outcomes to improve health and care across the City.

Appendix 1 – Attendance at Meetings

Attendee	Meetings Attended (of those required)
Dr Manjit Kainth, GP Governing Body Member (Chair)	11 of 11
Dr Rashi Gulati, GP Governing Body Member	7 of 11
Steven Marshall, Director of Strategy and Transformation	9 of 11
Tony Gallagher, Chief Finance Officer	10 of 11
Sally Roberts, Chief Nurse	8 of 11
Vic Middlemiss, Head of Contracting and Performance	8 of 11
Malcolm Reynolds, Patient Representative	11 of 11
Cyril Randle, Patient Representative	9 of 11
Sarah Smith, Local Authority Representative ¹	7 of 10
Andrew Wolverston, Local Authority Representative ²	1 of 1

¹ Until February 2019

² From March 2019

Appendix 2 – Commissioning Committee Duties (Extract from TOR)

The CC is accountable to the governing body and its remit is to provide the governing body, Director of Strategy and Solutions and Executive Nurse, amongst others, with support in meeting the duties and responsibilities of the group as a commissioner of healthcare services, specifically:

- acting consistently with the promotion of a comprehensive health service and the mandate issued for each financial year by the Secretary of State to NHS England , for which the CC has developed a Commissioning Policy;
- securing continuous improvement in the quality of services;
- co-ordinating the work of the group as appropriate with NHS England , other clinical commissioning groups, local providers of services, local authorities, patients and their carers, the voluntary sector and others to develop robust commissioning plans..

It delivers these duties by developing and delivering annual work programmes giving appropriate focus to the following:

- develop the commissioning strategy, commissioning plans and annual commissioning intentions, anticipating and adapting as required for national and international policy, the group's safeguarding and other statutory responsibilities, local and national requirements and patient expectations;
- oversee the annual contracting processes and any other programmes of healthcare service procurement;
- review of commissioning policies;
- develop service specifications for the commissioning of healthcare services;
- consider service and system reviews and develop appropriate strategies across the health and social care economy to address any identified issues;
- review progress against commissioning strategies and plans to ensure achievement of objectives within agreed timescales;
- make recommendations as necessary to the governing body on the remedial actions to be taken with regard to key risks and issues associated with the commissioning portfolio.

ANNUAL REPORT

Finance and Performance Committee

2018/2019



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1. Introduction

- 1.1 This report sets out the work undertaken by the Finance and Performance committee during the 2018/19 financial year. It has been produced in order to demonstrate that the committee has met the duties assigned to it by the Governing Body in its terms of reference.
- 1.2 The committee has been established by the CCG's Governing Body to provide assurance on issues related to the finance and performance of the group. Its main purpose is to monitor, on behalf of the Governing Body, how the group is meeting its statutory duties to act effectively, efficiently and economically and to reduce inequalities.
- 1.3 The evidence contained in this report forms part of the Committee's review of its effectiveness and will be shared with the CCG's Governing Body and also will be used to support the content of the Accountable Officer's Annual Governance Statement, which is a key part of the organisation's Annual Report.
- 1.4 The members of the committee during the year have been:-
- Les Trigg (Chair) - Lay Member for Finance and Performance
 - Dr David Bush - Elected Member of the Governing Body
 - Dr Mohammad Asghar - Elected Member of the Governing Body
 - Tony Gallagher - Chief Finance Officer
 - Mike Hastings - Director of Operations
 - Steven Marshall - Director of Strategy and Transformation
- 1.5 The committee met on the following occasions during the financial year:
- 24 April 2018
 - 29 May 2018
 - 26 June 2018
 - 31 July 2018
 - 28 August 2018
 - 25 September 2018
 - 30 October 2018
 - 27 November 2018
 - 29 January 2019
 - 26 February 2019
 - 26 March 2019

Details of the attendance at all of these meetings are enclosed at Appendix 1 for information.

2. Committee Responsibilities

- 2.1 As highlighted above, the committee is appointed by and is accountable to the Governing Body. The details of this are set out in the group's Constitution at Paragraph 6.9.5 d) which include the key duties outlined above. In order to fulfil this role, the detailed terms of reference for the committee appended to the constitution include a number of specific responsibilities that guide the committee's work. These are listed in full in Appendix 2, but can be summarised into the following broad themes:-
- Monitoring Financial Performance and Efficiency
 - Monitoring Performance and Performance Management
 - Specific Responsibilities under the Group's Prime Financial Policies
 - Monitoring the group's work on reducing Inequalities
- 2.2 Section 3 of this report details the committee's work during the year against these four themes. As in previous years, this review of work is the most significant evidence in determining how the Committee has met its defined duties and identifying any areas for future improvements.

3. Work undertaken

- 3.1 This section sets out a summary of the work undertaken at the committee's monthly meetings. The nature of this committee's work means that it takes a structured approach to its remit, considering a number of regular reports at each meeting. These regular reports often include work against more than one of the themes detailed above. Where this has occurred, it is highlighted throughout the report.
- 3.2 During the year, as part of its efforts to achieve continuous improvement, the committee has modified the structure of its agenda. This has involved rotating when specific items on the agenda are discussed in order to ensure that every item receives consistent levels of attention during the year.

Financial Performance and Efficiency

- 3.3 The committee's principal purpose is to support the Chief Finance Officer in ensuring the CCG meets its financial duties and responsibilities. It discharges this duty by maintaining an overview of the CCG's financial performance through a monthly report from the Chief Finance Officer. This report provides details of the CCG's performance against key financial metrics in line with its statutory duties and responsibilities as well as reporting by exception on any areas of concern.
- 3.4 During the year, the Chief Finance Officer has been able to report that the CCG was consistently meeting its financial duties, including delivery of challenging Quality, Innovation, Productivity and Prevention (QIPP) savings targets. The committee has been assured, and been able to provide consequent assurance to the Governing Body that financial performance has been effectively managed. This has included effective management of issues arising during the year in relation to cost pressures associated with Mental Health Services, Continuing Health Care and prescribing that were reported throughout the year.
- 3.5 The committee also receives a regular report from the Head of Contracting and Procurement that sets out key actions and approaches to contract management with

the CCG's providers. These reports have provided further detail on how the CCG's approach to contract management has supported prudent financial management. The steps taken by the committee to manage its agenda effectively have enabled it to triangulate the information provided in both reports to ensure it provides the necessary level of assurance.

- 3.6 In addition to considering regular reports, the committee also occasionally undertakes a deeper dive into particular areas of work. In October 2018, in response to queries raised through regular reporting process the committee examined the potential financial impact of an International GP recruitment scheme operating across the Black Country. This examination highlighted that, as the impact of recruiting new GPs was being borne by practices with support from NHS England (who were also funding the project team), there was no risk to the CCG. The committee was therefore sufficiently assured by this consideration.
- 3.7 Other work the committee has undertaken has included consideration of a self-assessment against financial control planning standards issued by NHS England. This forms part of the overall assessment of the CCG's performance against the national CCG Improvement and Assessment Framework assessed by NHS England. The committee noted the submission demonstrated overall compliance with the standards and agreed the narrative accounting for areas of minor divergence.

Performance Monitoring and Management

- 3.8 The Committee also maintains an overview of the CCG's work to manage performance from its commissioned services against statutory performance targets, including those in the NHS Constitution. Performance against these targets have been reported to the committee by the Business and Performance Team on a monthly basis, along with detailed commentary on any areas of performance variation.
- 3.9 The most significant performance issue that the CCG has faced during the year has been in relation to waiting times for cancer treatment. The committee has been updated regularly on the work the CCG has undertaken with Royal Wolverhampton Trust to address concerns in this area. This has included consideration of options to increase capacity at the trust as well as seeking support from other providers in the area. The committee has also been assured that actions have been taken to understand the impact on both service quality and patient safety in relation to performance in this area. Further detail on this work will be provided in the Quality and Safety Committee's annual report.
- 3.10 Other common themes have emerged during the year in relation to performance have included Referral to Treatment targets, Accident and Emergency waiting times and Improving Access to Psychological Therapies. The reports provided to the committee have given details of actions taken to address the issues identified and members of the committee have taken the opportunity to scrutinise members of the CCG's management team to ensure plans are robust.
- 3.11 As with the approach to financial monitoring, the committee triangulates the information it receives in relation to finance and contractual action as well as the performance information to ensure it receives a robust and complete picture of the CCG's position. The reports from the Head of Contracting and Procurement have supported the committee in this work, highlighting the contractual action taken to address performance concerns. This has included the issuing of appropriate

contractual sanctions and the development of remedial action plans in relation to areas where targets have not been achieved.

- 3.12 The committee have worked with the Business and Performance team during the year to refine the way in which performance is reported to ensure that discussion at committee meetings is focussed on the most important areas. The team have worked to ensure that the reports produced provide detail on these key areas by exception whilst enabling committee members to maintain an overview of overall performance. The committee has passed their appreciation to the team for this work and would like to take the opportunity to do so again as part of this Annual Report.
- 3.13 The committee has also received details of the CCG's performance against targets chosen in relation to the Quality Premium. A report was provided in January 2019, however data in relation the CCG's achievement of the premium was still emerging and it was not clear whether the CCG would achieve the required metrics to receive payment.

Responsibilities under Prime Financial Policies

- 3.14 The committee has a number of defined roles within the group's Prime Financial Policies, most importantly to support the Chief Finance Officer in the development of the group's financial plans. This includes considering and recommending a draft financial plan for endorsement for the Governing Body.
- 3.15 Financial planning for 2019/20 and beyond has been developed in line with the CCG's wider work to develop an integrated care alliance in Wolverhampton. This includes the development of an aligned incentive agreements to develop more collaborative forms of contracting. The committee considered the detail of an agreement with RWT in October 2018, that outlined principles of risk and gain share between the CCG and RWT in order to support wider system aims associated with shifting activity from acute services towards the community. The committee considered the agreement in detail before recommending it for onward consideration by the Governing Body.
- 3.16 The establishment of this agreement has informed the wider work undertaken by the CCG to develop the financial plan for 2019/20. The committee considered the draft financial plan in February 2019, noting that it had been produced in line with defined national requirements and reflected the appropriate financial metrics. The Committee recognised the work undertaken to develop the plan, including noting the detailed mitigations considered to manage risks identified in the plan. The Committee has recommended the plan to the Governing Body, which considered and agreed the committee's recommendation at the end of March 2019.
- 3.17 In addition to these operational responsibilities, the committee also has a role in developing and suggesting improvements to Prime Financial Policies themselves. The committee will be undertaking work on this early in the new year to reflect changes in staffing structures and a revised constitutional framework for CCGs.

Monitoring Work on Reducing Inequalities

- 3.18 The CCG core aim is to commission the right care, at the right time in the right place for all of its population. This means that reducing health inequalities is intrinsic to the way in which it operates. The committee takes an exception based approach to managing its work in respect of addressing this duty, monitoring information through

its regular cycle of reporting on key performance metrics and financial reporting. No specific concerns have been raised in relation to health inequalities during the year through the Committee's reporting processes. The committee will continue its monitoring approach to these issues throughout 2019/20.

Risk Management

- 3.19 The committee has continued to maintain an overview of risks associated with its areas of work, this has included reviewing corporate risks associated with meeting the CCG's financial targets and NHS constitutional targets and committee level risks that impact on the achievement of target.
- 3.20 The committee has taken a varied approach to managing its responsibility in relation to risk, which has included assessing risks raised through the overall discussions and an assessment of the committee's risk appetite. The committee has worked hard to develop and understand its risk profile and how this relates to its overall portfolio of work.

4. Conclusions

- 4.1 The work undertaken this year by the Committee has continued to provide assurance to the Governing Body on key areas of the CCG's operations, in particular around financial and operational performance. This demonstrates that it has met its terms of reference and, most significantly, provided the necessary advice and support to ensure the CCG meets its statutory financial duties.
- 4.2 The committee believes that the evidence presented in this report clearly demonstrates that it remains effective. Despite this, the committee continues to look for areas for continuous improvement and looks forward to identifying and addressing any such areas in its work in the upcoming year.

Appendix 1 – Attendance at Meetings

Attendee		Meetings Attended (of those required)
Committee Members	Les Trigg, Lay Member for Finance and Performance (Chair)	10 of 10
	Dr David Bush, Clinical Lead for Finance	8 of 10
	Dr Mohammad Asghar, Deputy Clinical Lead for Finance	8 of 10
	Tony Gallagher, Chief Finance Officer)	9 of 10
	Mike Hastings, Director of Operations	7 of 10
Regular Attendees	Lesley Sawrey, Deputy Chief Finance Officer	9 of 10
	Vic Middlemiss, Head of Contracting and Procurement	8 of 10
Ad Hoc Attendees	Phil Strickland, Governance and Risk Co-Ordinator	1 of 1
	Jo Reynolds, Primary Care Transformation Manager	1 of 1
	Georgina Moon, Business Operations Manager	3 of 5
	Peter McKenzie, Corporate Operations Manager	2 of 2

The meeting in May 2018 was cancelled and the December meeting was held virtually.

1. Appendix 2 – F&PC Duties (Extract from TOR)

The specific duties required of the FPC are:

- to support the Chief Finance Officer in the delivery of the general financial duties (constitution 5.3.1 – 5.3.3);
- to receive reports from the group's representative on the Wolverhampton Health and Wellbeing Board with regard to development of the joint assessments and strategies and delivery of the latter (constitution 5.1.2(c)(ii));
- to monitor the group's delivery of the duty to act effectively, efficiently and economically (constitution 5.2.3);
- to monitor the group's delivery of the duty to have regard to the need to reduce inequalities (constitution 5.2.6);
- review the Chief Finance Officer's proposals for any changes to the Prime Financial Policies prior to scrutiny of them by the Audit and Governance Committee (PFP 1.5.1)
- approval of detailed financial policies (PFP 1.1.3);
- to consider reports from the Chief Finance Officer regarding significant variances from budgeted performance (PFP 7.3) and approve any changes to budgets not significant enough to require approval by the governing body (PFP 7.4);
- to consider reports from management regarding significant variances from non-financial performance targets;
- agree the Chief Finance Officer's timetable for producing the annual accounts and report (PFP 8.1(a));
- approve the group's overall banking arrangements (PFP 11.2);
- receive reports detailing actual and forecast expenditure and activity for all healthcare contracts (PFP14.3).

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ANNUAL REPORT

Quality and Safety Committee

2018/2019



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Quality and Safety Committee	March 2019

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Appendix 2 – Commissioning Committee Duties (Extract from TOR) 11

1. Introduction

1.1 This report sets out the work undertaken by the Quality and Safety Committee during the 2018/19 financial year. This demonstrates how the committee has met the responsibilities set out for it by the Governing Body in the Clinical Commissioning Group's constitution.

1.2 The Committee has been established by the CCG's Governing Body to support the Governing Body in meeting a number of the group's statutory responsibilities, specifically:

- Promoting a comprehensive health service;
- Securing public involvement in the planning, development and consideration of proposals for changes and decisions affecting the operation of commissioning arrangements;
- Promoting awareness of and securing health services that are consistent with the NHS Constitution;
- Assisting NHS England in securing improvements in Primary Medical Services;
- Supporting Patient choice

1.3 The evidence contained in this report focuses on how the committee has met these duties and will be shared with the CCG's Governing Body and also will be used to support the development of the organisations' Annual Governance Statement.

1.4 The committee's membership requirements are set out in its terms of reference, stating that the committee must be chaired by an elected GP member of the Governing Body, must include the Executive Nurse and the Secondary Care Clinician, representatives of member practices, employees of the group, individuals who reflect the wider local multi-professional clinical and social care community and a patient /carer representative. The committee values the broad perspective offered by its diverse membership, benefiting from both clinical and professional viewpoints as well as the insight offered by the patient representatives. The members of the committee during the year have been:-

- Dr Rajshree Rajcholan - Elected Member of the Governing Body (Chair)
- Mr Amarbaj Chandock - Secondary Care Clinician (Until October 2018)
- Sally Roberts - Executive Nurse
- Marlene Lambeth - Patient Representative
- Sue McKie - Governing Body Lay Member for Patient and Public involvement
- Jim Oatridge - Governing Body Lay Member
- Peter Price - Governing Body Lay Member for Governance
- Ankush Mittal - Public Health
- Mike Hastings - Director of Operations (From July 2018)

1.5 The committee met on the following occasions during the financial year:

- 10 April 2018
- 8 May 2018
- 12 June 2018
- 10 July 2018
- 14 August 2018
- 11 September 2018
- 9 October 2018
- 13 November 2018
- 11 December 2018
- 8 January 2019
- 12 February 2019
- 12 March 2019

Details of the attendance at all of these meetings are enclosed at Appendix 1 for information.

2. Committee Responsibilities

2.1 As highlighted above, the committee is appointed by and is accountable to the Governing Body. The details of this are set out in the group's Constitution at Paragraph 6.9.5 c) which include the key duties outlined above. In order to fulfil this role, the detailed terms of reference for the committee appended to the constitution include a number of specific responsibilities that guide the committee's work. These are listed in full in Appendix 2, but can be summarised into the following broad themes:-

- Quality and Patient Safety Issues;
- Risk Management and Assurance;
- Monitoring the Group's arrangements for meeting statutory duties (including Information Governance, Equality and Public Involvement); and
- Safeguarding

2.2 Section 3 of this report details the committee's work during the year against these four themes. As part of the group's commitment to continuous improvement, this approach to monitoring the committee's work will form part of its assessment of effectiveness during 2018/19. A draft of this report is being considered by the Committee at its April meeting, giving members the opportunity to feed their views on how well the duties of the Committee have been discharged.

3. Work undertaken

3.1 This section sets out a summary of the committee's work at meetings as part of the committee's assessment of its effectiveness. Further detail on specific quality issues will also be included in the CCG's Annual Report and has been reported to the Governing Body throughout the year.

Quality and Patient Safety Issues

3.2 The committee's primary role is to provide assurance to the Governing Body that the CCG is fulfilling its duty to monitor and manage the quality of the services it commissions. It provides a report on quality to each meeting of the Governing Body and escalates any significant issues through this route. The Quality Team also produces an annual quality report which provides more detail on the work undertaken

in the team during the year. The committee itself considered the 2017/18 Annual Quality report at its July 2018 meeting.

- 3.3 The committee has worked with the Quality Team during the year to refine the way in which information is reported, moving towards a dashboard based approach that has enabled the discussion at meetings to focus on the key issues of concern. This has included incorporating reporting on primary care into the overall quality report, which has been welcomed by the committee and is continuing to support improvement in the way the committee operates. Further enhancements are planned in order to incorporate additional areas, including details of Care Home quality so that there is an integrated approach to reporting.
- 3.4 Key issues considered during the year have focussed, as in previous years, on Royal Wolverhampton Trust (RWT) as the CCG's largest provider with a number of themes reoccurring throughout the year. This has included the impact on patient care of the trust's performance in achieving national targets for cancer waiting times. The committee has been informed of the work undertaken by the CCG to support the trust in conducting harm reviews for patients waiting beyond the mandated 62 days as well as the wider work across the CCG to try and improve performance. The committee has provided assurance to the Governing Body that the steps being taken by the trust are appropriate and provided details of the wider scrutiny on this issue across the system. The continued challenges with cancer performance mean that this issue will continue to be on the committee's agenda for the upcoming year.
- 3.5 The Committee have also been updated throughout the year on actions undertaken in response to figures indicating that mortality at RWT was higher than expected. The committee was advised that two technical indicators, Summary Level Hospital Mortality Index (SHMI) and Hospital Standard Mortality Ratio (HSMR) were used to indicate the expected rate of mortality in the trust. Both measures use algorithms based on the profile of patients admitted to the hospital, including the conditions from which they subsequently died. Work has been undertaken across the health care system, including discussions at the Health Overview and Scrutiny Committee to understand the reasons for the higher than expected figures. Initial indications are that one reason may relate to discrepancies in how patients have been clinically coded and the CCG has been working to understand if other factors are involved. The committee escalated this matter to the Governing Body, who received a report outlining the actions taken, including CCG attendance at mortality reviews by the Trust.
- 3.6 Other issues highlighted in the monthly quality report from RWT have included details of Serious Incidents and Never Events and monitoring of the quality of care provided in the maternity department following the Trust taking additional activity to support providers elsewhere in the system. Themes from the reports relating to Black Country Partnership Trust have included vacancy rates and the impact this has had on elements of the trust's performance.
- 3.7 The committee has been pleased at the progress made during the year against the improvement plan for the Vocare Urgent Treatment Centre following significant concerns detailed in last year's report. The work of a joint improvement board has been reported on throughout the year, and the committee was informed of a positive outcome from a Care Quality Commission inspection of the service in November 2018. This meant that the work of the improvement board could be stepped down and monitoring of service moved to a business as usual approach.

- 3.8 Details of quality in Primary Care services has been reported to the committee on a regular basis, initially through a separate report and more recently as an integrated element of overall reporting. This has highlighted work to improve the response rate for Friends and Family Test including increased use of IT solutions to deliver the survey and action to support practices with lower response rates. Other issues have included practices' responses to issues raised through the CCG's 'Quality Matters' system and ongoing work to develop the workforce in Primary Care. Similarly, reporting in relation to quality performance within the care home sector has begun to be more integrated into the overall reporting. Matters reported during the year have included specific concerns relating to a home providing step down services and the work of the SPACE programme, initially reported last year, to build a culture of safety improvement in the sector.
- 3.9 In addition to the committee's regular monthly reporting, there have been a number of areas where additional assurance has been provided throughout the year. Details of the CCG's work to meet its responsibilities in relation to assessing individuals in need of Continuing Healthcare have been reported, highlighting continued good practice and performance in this area. Joint work to improve infection prevention, particularly in the acute trust and in primary care, has also been reported along with progress with the CCG's medicines management and optimisation programme.

Risk Management and Assurance

- 3.10 As previously highlighted, the committee's role in the CCG's overall risk management arrangements has changed to focus on managing risks associated with its core areas of work. It has discharged this responsibility by considering risks on a monthly basis and escalating any risks to the Governing Body when required. Specifically this has involved managing the risks associated with performance concerns related to the quality issues highlighted above. The committee has received assurance from CCG staff managing these risks and reflected on the assurance provided through its wider work that they are being managed effectively. This included a detailed report on Learning from Deaths from RWT respect of the risk identified around mortality.
- 3.11 The committee has received reports on additional areas of risk during the year, including the work across the Black Country to deliver the agreed Transforming Care for individuals with Learning Disabilities. This programme has been highlighted as a significant risk across the STP and the committee were given an update on the actions taken to address the issues identified in a confidential session.
- 3.12 In respect of the committee's broader assurance role, updates have been provided on the CCG's responsibilities in relation to Emergency Planning Resilience and Response (EPRR) and business continuity. This has included details of planning associated with Brexit. The committee also received an update in December in relation to joint work with public health to deliver seasonal flu vaccinations following issues with the supply of vaccines for particular at risk groups.
- 3.13 The committee has also received assurance around how the CCG's wider processes for performance management triangulate with other sources of quality assurance. This was through the consideration of one of the monthly performance reports received by the Finance and Performance committee and through an update on the measurement of CQUIN performance. The committee has used these reports to understand how this information is used by the quality team to inform broader programmes of work. Assurance about how effectively this is operating in practice has been received through an internal audit review into the CCG's process for managing serious incidents, which received significant assurance.

Monitoring the Group's arrangements for meeting statutory duties

- 3.14 As highlighted above, the committee has been given delegated responsibility within the CCG's Constitution to monitor performance against a number of statutory duties. The most significant of these are meeting the Public Sector Equality Duty, the duties in the National Health Service Act 2006 around public involvement in commissioning, health and safety legislation and duties relating to data protection and freedom of information. As these are specialist areas of work, the CCG purchases expert support, most notably from the Commissioning Support Unit (CSU), and teams from the CSU report to the committee on progress with their work.
- 3.15 In addition to receiving assurance that the CCG is meeting its own responsibilities in relation to equality and diversity, the committee has been updated on the compliance of its main providers. This has taken the form of a review of their work programmes, received and considered as part of wider contract review work and seeking more detailed assurance where this has been required. The committee has been assured that the CCG was working effectively to meet its own equality objectives and that it had met the nationally mandated standards in respect of publishing details of these standards in line with the strategy agreed by the committee last year.
- 3.16 Following changes in Data Protection legislation to implement the General Data Protection Regulation (GDPR) which came into force in May 2018, the committee has received regular assurance that the CCG was working in line with the new requirements. As highlighted in last year's annual report, the CSU developed a work plan to support the CCG in meeting the new requirements associated with GDPR and the committee has received updates on this work. The CSU team has also provided details of the wider work plan to ensure the CCG was able to demonstrate compliance with NHS Digital's Data Security and Protection Toolkit, which assesses all health and care organisations against the data security standards set out by the National Data Guardian. The committee consequently approved a number of policy changes in line with these standards and GDPR including a new procedure for managing Subject Access Requests. The committee delegated authority to sign off the CCG's toolkit submission to the Data Protection Officer and Senior Information Risk Officer in time to meet the deadline of March 2019.
- 3.17 As in previous years, the Committee has also maintained an overview of the CCG's compliance with its responsibilities under the Freedom of Information Act. Quarterly reports have highlighted continued excellent performance in meeting these obligations and given details of the numbers, source and nature of requests received. The CCG has received over 240 such requests in the year and responded to 99% of them within the statutory framework. The committee has noted trends in the subjects on which requests have been received, including an increasing number of requests relating to primary care and issues such as extended access, reflecting public and media interest in these issues during the year.
- 3.18 Work by the committee to review how the CCG's arrangements for patient and public involvement has continued to benefit from the work of the committee's patient representatives. One of the representatives has unfortunately suffered ill health during the year and the committee passed their regards on to her for a full recovery. This continued to highlight how their role is crucial in ensuring that the committee's broader work to review the quality and safety of commissioned services takes account of patient's views and experience.

- 3.19 Other work undertaken by the committee has been to review the CCG's arrangements for meeting Health and Safety duties as an employer. This takes account of the CCG's position as a tenant in Wolverhampton Science Park and the committee have been assured that new arrangements, recently put into place, will ensure the CCG is able to continue to demonstrate its compliance. The committee has also reviewed and agreed policies for areas including the management of Serious Incidents and complying with advice and guidance from the National Institute for Health and Care Excellence.

Safeguarding

- 3.20 The CCG recognises that keeping our vulnerable patients safe is one of our most important duties. The safeguarding team at the CCG works closely with partners across Wolverhampton to ensure that the CCG meets its duties effectively in this area. The committee consequently has continued to seek and maintain assurance on this key area of work throughout the year, principally through the receipt of quarterly reports from the safeguarding team.
- 3.21 Key themes highlighted in the reports during the year have included steps taken across the system to ensure staff delivering services are appropriately trained in safeguarding. The CCG's safeguarding team have continued to work with both RWT and Black Country Partnership in respect of this and the safeguarding team have been involved in developing and delivering training sessions for staff in primary care. The committee have also been given brief details of serious case reviews that have taken place in Wolverhampton and been assured that lessons from these reviews are being taken on board by the agencies involved.
- 3.22 The committee has also received assurance that the safeguarding team are appropriately engaged in partnership working across Wolverhampton, including attendance at statutory forums and operational groups. Changes in the statutory 'Working Together' guidance throughout the year have emphasised the CCG's role as a lead agency in safeguarding and the committee have recognised this through the year. During the year the committee were advised that, following feedback from Children and Young People, the terminology relating to Looked after Children in Wolverhampton has changed to ensure the emphasis remains on the children themselves so they will be referred to as Children who are looked after or Children in care.
- 3.23 In relation to children, the team have provided details of the number of children in care on a quarterly basis and of work to ensure the CCG's specific responsibilities in relation to undertaking health checks are met. Details have also been given of the work programme to work jointly with the local authority to meet responsibilities in respect of Children with Special Educational Needs and Disabilities. This included brief details of preparation for a statutory inspection of these services that was expected.
- 3.24 The committee have also being updated at points through the year on work to ensure the CCG's responsibilities relating to reviewing the deaths of individuals with Learning Disabilities as part of the national LeDeR learning programme. The committee have been assured that the process and work undertaken by the CCG has been robust and that sufficient provision was in place. The committee have also noted that this work is measured across the Black Country and that other CCG areas have experienced issues achieving the requirements of the programme.

4. Conclusions

- 4.1 The work highlighted above is presented to the Governing Body as evidence that the committee has continued to meet the duties set out for it in its terms of reference. It has been a busy and productive year and the committee believes that this report not only reflects this but demonstrates that the committee is continuing to operate effectively in discharging its duties.
- 4.2 The committee has embraced the Quality Team's ethos that the CCG keeps quality at the heart and safety in the mind of the organisation. It continues to look for opportunities to improve in how it achieves this and how to support the organisation in commissioning high quality, safe patient care. The committee is already looking forward to the next year and the challenges it will bring, in particular how changes in the commissioning system will impact on its work. It is vital that these changes deliver benefits in the quality of care provided to patients and this committee will play a vital role in ensuring that this is realised.

Appendix 1 – Attendance at Meetings

Attendee		Meetings Attended (of those required)
Committee Members	Dr Rajshree Rajcholan, Governing Body Member (Chair)	9 of 12
	Mr Amarbaj Chandock, Secondary Care Consultant ¹	1 of 6
	Sally Roberts, Chief Nurse	12 of 12
	Mike Hastings, Director of Operations ²	6 of 9
	Sue McKie, Lay Member for Patient and Public Involvement	9 of 12
	Jim Oatridge, Deputy Chair of the Governing Body	11 of 12
	Peter Price, Lay Member for Audit and Governance	11 of 12
	Marlene Lambeth, Patient Representative ³	3 of 3
	Ankush Mittal, Consultant in Public Health – City of Wolverhampton Council ⁴	3 of 8
Regular Attendees	Yvonne Higgins, Deputy Chief Nurse	7 of 8
	Sukhdip Parvez, Patient Safety Manager	6 of 8
	Steve Barlow, Public Health – City of Wolverhampton Council	4 of 4

¹ Resigned October 2018

² Joined the Committee in July 2018

³ Absent due to sickness from July 2018

⁴ Joined Committee in August 2018

Appendix 2 – Quality and Safety Committee Duties (Extract from TOR)

The QSC is accountable to the governing body and its remit is to provide the governing body with assurance on the quality of services commissioned and promote a culture of continuous improvement and innovation with respect to safety of services, clinical effectiveness and patient experience. It will deliver this remit in the context of the group's priorities, as they emerge and develop, and the risks associated with achieving them.

The duties of the QSC are driven by the priorities for the group and any associated risks or areas of quality improvement and operates a programme of business, agreed by the governing body, that is flexible to new and emerging priorities and risks.

The specific duties required of the QSC are:

- to monitor the group's delivery of the public sector equality duty (constitution 5.1.2(b));
- to receive reports from the group's representative on the Wolverhampton Health and Wellbeing Board with regard to development of the joint assessments and strategies and delivery of the latter (constitution 5.1.2(c)(ii));
- to monitor the group's compliance with its Statement of Principles relating to the duty secure public involvement (constitution 5.2.1);
- to monitor the group's delivery of the duty to promote awareness of and have regard to the NHS Constitution (constitution 5.2.2);
- to monitor the group's delivery of the duty to secure continuous improvement to the quality of services (constitution 5.2.4);
- to monitor the group's delivery of the duty to support NHS England with regard to improving the quality of primary medical services (constitution 5.2.5);
- to monitor the group's delivery of the duties to promote the involvement of patients, their carers and representatives and enable patients to make choices (constitution 5.2.7 and 5.2.8);
- approval of policies for risk management including assurance (Prime Financial Policy 15.2) , information governance (PFP 19.3), business continuity, emergency planning, security and complaints handling;
- to ensure that the group makes effective use of NHS England's Information Governance and any other relevant Toolkit(s) to assess its performance (PFP 19.3);
- endorsing action plans to address high scoring risks in the group's Risk Register (PFP 15.4).

It delivers these duties by developing and delivering annual work programmes giving appropriate focus to the following:

- seek assurance that the commissioning strategy for the clinical commissioning group fully reflects all elements of quality (patient experience, effectiveness and patient safety), keeping in mind that the strategy and response may need to adapt and change;

- provide assurance that commissioned services are being delivered in a high quality and safe manner, ensuring that quality sits at the heart of everything that the group does. This will include jointly commissioned services and supporting NHS England as regards the quality and safety of the secondary healthcare services that it commissions for the group's patients;
- provide assurance that the group is meeting its safeguarding responsibilities under Children's Act 2004, Vulnerable Groups Act 2006 and any subsequent relevant legislation;
- oversee and provide assurance that effective management of risk is in place to manage and address clinical governance issues including arrangements to proactively identify early warnings of failing systems;
- have oversight of the process and compliance issues concerning serious incidents requiring investigation (SIRI); be informed of all Never Events; inform the governing body of any escalation or sensitive issues in good time; ensure that the group and its healthcare providers are learning from SIRI and Never Events;
- ensure that there is a clear line of accountability for patient safety issues, including the reporting required by statute, regulations or locally agreed best practice;
- seek assurance on the performance of NHS organisations in terms of their interaction and/or regulation by the Care Quality Commission, Monitor and any other relevant regulatory bodies;
- receive and scrutinise independent investigation reports relating to patient safety issues and agree publication plans;
- ensure that a clear escalation process, including appropriate trigger points, is in place to enable appropriate engagement of external bodies on areas of concern;
- make recommendations as necessary, to the governing body on the remedial actions to be taken with regard to actual and evolving quality and safety issues and risks.

ANNUAL REPORT

Remuneration Committee

2018/2019



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RELATED DOCUMENTS

These documents will provide additional information:

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1. Introduction

- 1.1 This report sets out the work undertaken by the Remuneration Committee during the 2018/19 year. This demonstrates how the committee has met the responsibilities set out for it by the Governing Body in the Clinical Commissioning Group's constitution and includes the formal account of the committee's work outlined in the CCG's Annual report.
- 1.2 The Health and Social Care Act 2012 and the associated regulations require the Governing Body to establish a Remuneration Committee to discharge the duties outlined in legislation. In addition to these duties, the CCG has delegated further responsibilities to the committee, which are summarised below and detailed in Appendix 1.
- 1.3 In addition to formal report from the committee, the evidence contained in this report will be shared with the CCG's Governing Body and also will be used to support the content of the organisations' Annual Governance Statement.
- 1.4 The committee's membership requirements are set out in its terms of reference, stating that the committee must be chaired by the Governing Body Lay Member and must have three other members of the Governing Body who are not employees of the group:-
- Peter Price - Lay Member – Governance (Chair)
 - Dr David Bush - GP Governing Body Member
 - Mr Amarbaj Chandock - Secondary Care Consultant (Until October 2018)
 - Dr Manjit Kainth - GP Governing Body Member
 - Jim Oatridge OBE - Governing Body Lay Member
- 1.5 The committee met on the following occasions during the financial year:
- 17 May 2018
 - 5 July 2018
 - 9 October 2018
 - 19 February 2019

Details of the attendance at all of these meetings are enclosed at Appendix 1 for information.

2. Committee Responsibilities

- 2.1 As highlighted above, the CCG Governing Body is required to appoint a Remuneration Committee to support decision making around:-
- employees' remuneration, fees and allowances and any other terms and conditions of service; and
 - the remuneration and travelling or other allowances of members the governing body.
- The committee's work in this area, along with its specific work to develop policies for the remuneration of senior officers is detailed in the formal report in section 3.
- 2.2 In addition to these statutory responsibilities, the group has delegated responsibilities to the committee to approve Human Resources policies for the group and to support senior recruitment. Work undertaken in this area is summarised in section 4.

3. Remuneration Committee – Formal Report

Policy on remuneration of senior managers

- 3.1 Senior managers for the organisation have one of three types of contract depending on their role:
- *Office Holder* – Governing Body members are engaged by the CCG on office holder contracts as advised by the legal advisors Bevan Britain and Capsticks. Their pay was determined by the national guidance published in September 2012 for lay members and GPs on the Governing Body. The Governing Body members are engaged on varying lengths of term to enable stability within the organisation and, at the end of each term, consideration will be given at the Remuneration Committee as to whether pay for each session or role requires review.
 - *Very Senior Manager (VSM)* – The Accountable Officer, Chief Finance and Operating Officer, and Director of Strategy and Transformation are engaged by the CCG on VSM contracts. Salaries were established in line with the national groups for determining VSM pay in September 2012.
 - *Agenda for Change* – The CCG’s Executive Lead for Nursing and Quality and Director of Operations are engaged by the CCG on Agenda for Change terms and conditions. Pay is in line with national pay scales and pay awards.
- 3.2 A mechanism for reviewing Officer and VSM pay was agreed by the Remuneration Committee in June 2014. The policies adopted provide a framework for considering any uplift to remuneration for VSM and officer members of the Governing Body. They provide an opportunity for consideration of an annual uplift and, in addition, the VSM framework details a structure for the setting and awarding of a performance-related payment. The Committee has slightly amended this framework during the year to ensure it aligns with the CCG’s Performance Development Review Policy and process for setting objectives.

Senior managers’ performance-related pay

- 3.3 The Remuneration Committee agreed in 2018/19 that a reserve for an overall maximum of 10 per cent of VSM base pay would be set aside for performance-related payment. Within the 10 per cent, 2.5 per cent is allocated to each of the four domains of the CCG Improvement and Assessment Framework:
- better health
 - better care
 - leadership
 - sustainability.
- All performance-related payments are non-consolidated.
- 3.4 The appraisal process for VSMs includes objective setting aligned to the four categories noted above, as well as regular review of progress. Following year end, the Chair and Accountable Officer (the line managers for the VSM posts) are required to present their case for award of payment to the Remuneration Committee. The committee holds delegated responsibility to agree any award to be made.

- 3.5 VSM appraisal relating to 2018/19 performance is scheduled to take place early in the new financial year with a plan for the Remuneration Committee to make a final decision regarding award by the summer.

Policy on duration of contracts, notice periods and termination payments

- 3.6 The policy for senior manager contracts varies according to the role, for employees of the CCG:
- *VSM contracts* – senior managers on VSM contracts are engaged on a permanent contract with a notice period of six months. Any termination payments will be made in line with Agenda for Change terms and conditions for severance payments.
 - *Agenda for Change* – senior managers on Agenda for Change contracts are engaged on a permanent contract with a notice period of three months. Any termination payments will be made in line with Agenda for Change terms and conditions for severance payments.
- For officeholder, non-Executive positions:
- *Elected GP office holders* – these office holder contracts are for a tenure period of three years.
 - *Practice manager representative office holder* – this role has a maximum length of tenure of five years.
 - *Lay member and secondary care doctor office holders* – these roles have a maximum length of tenure of five years.
- 3.7 The notice of all office holder contracts could be terminated with immediate effect based on a number of criteria within the contract, for example, the CCG no longer requiring a role under statute.

Remuneration of Very Senior Managers (VSMs)

- 3.8 In 2018/19 there were no individuals employed or engaged on temporary assignments by the CCG earning more than the Prime Minister's salary of £150,000 per annum.

4. Other Work undertaken

- 4.1 In line with its responsibilities in relation to the remuneration arrangements for Governing Body members the committee has agreed that practice manager representative on the Governing Body should serve a second term of office and agreed to extend the interim arrangements of the Deputy Chair to support continuity. The committee has also discussed mandatory training and appraisal requirements for Governing Body Members.
- 4.2 As highlighted in last year's annual report, the committee has addressed a number of issues associated with closer working across the Black Country Sustainability and Transformation Partnership (STP). This included formal approval of the arrangements for the CCG's Accountable Officer to act as Senior Responsible Officer for the STP and for the CCG to act as host organisation for the Portfolio Director recruited to manage the programme of work. The committee also endorsed arrangements to appoint the Chief Finance Officer from Sandwell and West Birmingham CCG to act as Joint Chief Finance Officer across Sandwell and West Birmingham and Wolverhampton following the retirement of the current Chief Finance Officer. The committee also approved arrangements for the current Chief

Finance Officer to continue working on a part time basis to provide on-going continuity.

- 4.3 The committee has also exercised its delegated authority from the Governing Body to approve human resources policies during the year. A number of policies have been considered during the year as they become due for review including policies for Dress Code, Grievance, Long Service Awards and Retirement. The committee also approved a revision to the CCG's Performance Development Review policy to reflect a move to a 'values-based' approach.
- 4.4 The Committee has been supported in its work by the Human Resources service provided by Arden and GEM Commissioning Support Unit who have provided expert advice and guidance in discharging its duties. The CCG has taken a decision to bring Human Resources advice back in house from 2019/20 and the committee were advised of this in February 2019.

5. Conclusions

- 5.1 As highlighted in the CCG's Annual Report, the committee has met its statutory obligations, as well as performing those other functions delegated to it by the Governing Body. The committee has instigated a regular programme of meetings this year to ensure that it is able discharge these functions effectively, particularly those around remuneration for Very Senior Managers.
- 5.2 The committee is grateful for the support it receives from the CCG management team and from its expert advisors. It is looking forward to a further productive year, which is likely to involve work related to proposals for the Black Country CCGs to develop a single management team.

Appendix 1 – Attendance at Meetings

Member	17.05.18	05.07.18	09.10.18	19.02.19
Peter Price, Independent Committee Member (Chair)	✓	✓	✓	✓
Dr David Bush, Governing Body Member, CCG	✓	✓		✓
Dr Manjit Kainth Governing Body Member, CCG	✓	✓	✓	✓
Jim Oatridge, Independent Committee Member			✓	✓

Appendix 2 – Remuneration Committee Duties (Extract from TOR)

The RC will make recommendations to the governing body on determinations about pay and remuneration for employees of the group and people who provide services to it, as well as allowances under any pension scheme it might establish as an alternative to the NHS pension scheme. This will enable the group to deliver the relevant functions:

- paying its employees' remuneration, fees and allowances in accordance with the determinations made by its governing body and determining any other terms and conditions of service of the group's employees (constitution 5.1.1(c));
- determining the remuneration and travelling or other allowances of members of its governing body (constitution 5.1.1(d)).

The specific duties required of the RC are:

- determining the remuneration and conditions of service of the senior team (constitution 6.9.3(b)(i));
- reviewing the performance of the accountable officer and other senior team members and determining annual salary awards, if appropriate.(constitution 6.9.3(b)(ii));
- considering the severance payments of the Accountable Officer and other senior staff, seeking HM Treasury approval as appropriate in accordance with the guidance 'Managing Public Money' (constitution 6.9.3(b)(iii));
- approving human resources policies (constitution 6.9.3(b)(iv) and 9.4).