

NHS COUNTY DURHAM AND DARLINGTON INTEGRATED BUSINESS BOARD

Use of Resources Assessment Action Plan 2009/10 Progress Report

1. Introduction

NHS County Durham (NHSCD) and NHS Darlington (NHSD) are externally audited on progress in meeting the Audit Commission's use of resources requirements through evaluation of performance against a number of criteria known as key lines of enquiry (KLOE). The KLOEs are organised into the following themes representing critical areas of activity:

- managing finances,
- governing the business, incorporating strategic commissioning,
- managing resources.

In August 2009 PricewaterhouseCoopers reported that NHSD's overall use of resources (UOR) score for 2008/09 was level two and identified, in an action plan, presented to the IBB in December 2009, areas to review to ensure the best possible assessment in 2009/10. NHSCD was also assessed at level two overall in 2008/09 and an internally generated action plan was presented to the October 2009 business board identifying issues to address to improve this score in 2009/10.

Links between the use of resources assessment and world class commissioning have now been clarified. The world class commissioning assessment will use evidence collected to support auditor judgements for the following KLOEs:

KLOE	WCC elements
KLOE 1.3	Finance assessment (robust financial management)
KLOE 2.2	Competency 10
KLOE 2.4	Board assessment (risk)

In addition, external audit will draw on the findings of the world class commissioning assessment for strategy and achievement against the annual operating plan to inform their conclusion on value for money.

Document management				
Version	Date	Summary	Owner's Name	Approved
1.0	25/02/10	Update for IBB	Mike Taylor	

The external audit process commenced at the beginning January 2010 in NHSCD and February 2010 in NHSD. The action plans for the audit process for both organisations are summarised in appendix one. Evidence has been provided to the external auditor for NHSCD and the focus is now on resolving any issues raised by the auditor and providing further evidence in areas where improvement is still possible. The provision of evidence for NHSD is scheduled to be completed by 1 March 2010. Both audits are iterative processes with ongoing liaison to check progress and provide further evidence or clarification to improve scores.

There are two task groups of coordinators for each KLOE area and other key contributors for NHSCD and NHSD, which meet regularly and are in daily communication. The current priority of each group is to review evidence prior to submission and take appropriate action following external auditor feedback.

As work continues to achieve the best possible score for 2009/10 consideration is being given as to how internal processes can be improved to secure further improvement in 2010/11. The focus for the coming year will be to work towards a level four through demonstrating innovative or best practice, achieving strong outcomes for the local community and delivering excellent value for money. The objectives to achieve this will be identified, agreed and incorporated into individual director objectives for 2010/11. These will be subject to continuous review during the year with regular board progress reports.

2. Implications and risks

The key risk is that the PCTs are unable to demonstrate the level three performance requirements for the KLOEs. These risks are being mitigated by a proactive and continuous approach to ensure improvement in use of resources scores through implementation of the attached action plans addressing current year performance and development and delivery of plans to secure improved performance in 2010/11.

3. Recommendations

The integrated business board is asked to:

- receive and consider this report and attached action plans and timelines set out in appendix one.

4. Author and sponsor director

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Director: Mike Taylor
Title: Director of Financial Services, Risk Management and Assurance
Date: February 2010

Purpose of paper	Information sharing Yes Development/discussion Yes Decision/action No
How does the paper support / have implications for:	
NHS County Durham's 4 Strategic Aims	Supports 4 - ensuring value for money in commissioning services.
Our Vision Our Future workstreams	No
World class commissioning competencies	Competency 10 and Strategy - Governance (board risk) as well as Finance (robust financial management).
Standards for better health	C7a – f, C8a,b, C9, C10a, b, C11a-c, C12, C13c,C14a-c, C20a,b C21, C22a,b C22, C23, C24
Use of resources	All key lines of enquiry
Targets and Vital signs	Yes, KLOE 1.1, 1.2, 1.3 scores inform the use of financial resources component of the annual health check performance rating for 2009/10
NHS Constitution	No
Darzi Principles	No
Impact on / Involvement of partners	Both local authorities.
Equality & Diversity	No significant impact
Other policies / Issues	Comprehensive Area Assessment and Value For Money conclusion.

Appendix one

INTEGRATED BUSINESS BOARD
Thursday 25 February 2010
Item No: IBB/10/38

NHS COUNTY DURHAM AND DARLINGTON INTEGRATED BUSINESS BOARD

Use of Resources Assessment Action Plans

NHSCD Action plan

Action	Timeline
Provision of supporting KLOE evidence and progress on the 2008/09 action plan	27 January 2010 (completed)
Provision of world class commissioning evidence for KLOE 1.3, 2.2 and 2.4	5 February 2010 (completed)
Provision of initial feedback by external audit	26 February 2010
Ongoing discussion and feedback with audit and response to queries to improve scores	Ongoing to 19 March 2010
Completion of specific pieces of audit work: natural resources, long term conditions, robustness of medium to long term financial planning, assessment of budget holders view on financial information, review of strategic objectives feed through into assurance and risk process.	By 31 March 2010
SHA based challenge process on indicative scored judgments	April 2010
Provision of draft scores and value for money opinion	June 2010

NHSD Action plan

Action	Timeline
Provision of supporting evidence, progress on the 2008/09 action plan and world class commissioning evidence for KLOE 1.3, 2.2 and 2.4	15 February 2010 (completed)
Provision of evidence for remaining KLOE, 1.1, 1.2, 2.3, 3.1 and 3.3	1 March 2010
Ongoing discussion and feedback with audit and response to queries to improve scores	Ongoing to 31 March 2010
SHA based challenge process on indicative scored judgments.	April 2010
Provision of draft scores and value for money opinion	June 2010