

**Primary Medical Care Services  
(PMCS) Contract Oversight  
and Management Functions**

*NHS Rotherham Clinical  
Commissioning Group*

April 2021  
2021/RCCG/07

Final Report





## Table of contents

Heading	Page
Executive summary	1
Detailed report	3
Appendix A – Risk matrix and opinion levels	10

## Distribution

Name	For action	For information
Chris Edwards, Accountable Officer	x	✓
Ian Atkinson, Executive Place Director	x	✓
Wendy Allott, Chief Finance Officer	x	✓
Jacqui Tuffnell, Head of Commissioning	x	✓
Rachel Garrison, Senior Contracting and Service Improvement Manager (Primary Care)	✓	x
Sara Hartley, Contract & Service Improvement Manager (Primary Care)	✓	x
Julie Murphy, Senior Contracts and Service Improvement Officer	✓	x
Janet Wheatley, Lay Member – Chair of Primary Care Committee	x	✓

## Key dates

Report stage	Date
Discussion draft issued:	20 April 2021
Management comments received:	23 April 2021
Final draft issued:	23 April 2021
Client approval received:	26 April 2021
Final report issued:	26 April 2021

## Contact information

Name/role	Contact details	
Tim Thomas, Director, 360 Assurance	<a href="mailto:tim.thomas1@nhs.net">tim.thomas1@nhs.net</a>	☎ 07788 416169
Leanne Hawkes, Deputy Director	<a href="mailto:leanne.hawkes@nhs.net">leanne.hawkes@nhs.net</a>	☎ 07545 423040
Kay Meats, Client Manager	<a href="mailto:kay.meats@nhs.net">kay.meats@nhs.net</a>	☎ 07816 272663
Usman Niazi, Assistant Client Manager	<a href="mailto:u.niazi@nhs.net">u.niazi@nhs.net</a>	☎ 07557 566793

*Reports prepared by 360 Assurance and addressed to NHS Rotherham Clinical Commissioning Group (CCG) directors or officers are prepared for the sole use of the NHS Rotherham CCG, and no responsibility is taken by 360 Assurance or the auditors to any director or officer in their individual capacity. No responsibility to any third party is accepted as the report has not been prepared for, and is not intended for, any other purpose and a person who is not a party to the agreement for the provision of Internal Audit between NHS Rotherham CCG and 360 Assurance dated 1 April 2020 shall not have any rights under the Contracts (Rights of Third Parties) Act 1999.*

*The appointment of 360 Assurance does not replace or limit NHS Rotherham CCG's own responsibility for putting in place proper arrangements to ensure that its operations are conducted in accordance with the law, guidance, good governance and any applicable standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.*

*The matters reported are only those which have come to our attention during the course of our work and that we believe need to be brought to the attention of NHS Rotherham CCG. They are not a comprehensive record of all matters arising and 360 Assurance is not responsible for reporting all risks or all internal control weaknesses to NHS Rotherham CCG.*

*This report has been prepared solely for your use in accordance with the terms of the aforementioned agreement (including the limitations of liability set out therein) and must not be quoted in whole or in part without the prior written consent of 360 Assurance.*

## Introduction and background

Since 2018/19, NHS England (NHSE) has required independent assurances to be provided that primary care delegated functions to CCGs have been appropriately discharged. NHSE's Internal Audit Framework sets out the requirement for independent assessments to be undertaken across four domains, on a cyclical basis, by March 2022, the four domains being as follows:

- Commissioning and Procurement of Primary Care Medical Services
- Contract Oversight and Management Functions
- Primary Care Finance
- Governance and Risk Management (common to each of the above areas).

Auditors of CCGs are required to tailor their approach to take account of the findings from any previous or related audit work, and make use of local assessment of risk to determine appropriate focus within the scope of work detailed. Accordingly, outputs from the following audits have been taken into account in complying with the requirements of the Framework:

- Commissioning and Procurement of Primary Care Medical Services (1920/RCCG/07)
- Governance and Risk Management (1920/RCCG/02)

The Framework requires that the outcome of each annual internal audit is reported to the CCG Audit Committee using the opinion levels specified in the Framework; these are provided at **Appendix A**. The Primary Care Commissioning Committee will have a lead role in discussing and agreeing the report.

## Audit objective

The objective of our audit was to determine whether a robust, efficient and effective control environment is in place in relation to contract oversight and management functions for primary medical care services as detailed within the Delegation Agreement between the CCG and NHSE.

Within the Delegation Agreement, CCGs are responsible for monitoring the quality, safety and performance of each PMCS contract. This incorporates how the CCG manages underperforming practices and where necessary may invoke sanctions, breaches or even terminate a contract for PMCS. The audit included a review of all these areas.

## Audit opinion

<b>Substantial assurance</b>	The controls in place do not adequately address one or more risks to the successful achievement of objectives; and/or one or more of the controls tested are not operating effectively, resulting in unnecessary exposure to risk.
<p>Our opinion is limited to the controls examined and samples tested as part of this review.</p> <p>The opinion level we are required to use is as specified by NHSE and these are shown at Appendix A of this report. The assurance levels defined by NHSE:</p> <ul style="list-style-type: none"><li>• are not comparable with ISAE 3000<sup>1</sup></li><li>• differ to the assurance levels used by 360 Assurance for other reviews completed as part of the</li></ul>	

<sup>1</sup> International Standard on Assurance Engagements (ISAE) 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the International Audit and Assurance Standards Board

agreed internal audit programme of work.

## Summary findings

There are strong governance arrangements in place, with the Primary Care Committee (PCC) having appropriate membership and meeting frequently. The CCG has established a sub-group reporting to the PCC known as the Primary Care Sub Group which ensures that the development and progression of the primary care agenda is appropriately governed and to ensure an auditable trail of development and approval of documents by the PCC. The Primary Care Sub Group's Terms of Reference were approved by the PCC in December 2020. The PCC approved a number of changes to its own Terms of Reference at its public meeting in November 2020.

Accountability for primary medical care services (PMCS) rests with the Executive Place Director whereas overall responsibility for primary care contracting rests with the Head of Commissioning, supported by the CCGs' Primary Care Team. Services are commissioned in accordance with the NHSE Primary Medical Care Policy and Guidance Manual (PGM) which the CCG has adopted and relevant staff are aware of. Our review identified further scope for the relevant extract from the PGM to be included in all papers of the PCC.

We reviewed reporting to the PCC between April 2020 and March 2021. Effective arrangements are in place for contract oversight and management functions reviewed in accordance with the scope of this audit. The CCG's approach to receiving assurance on primary care quality involves the PCC carrying out a quarterly review of the Primary Care Dashboard and the General Practice Contract and Quality Visit Report. The report provides insight into the outcomes of the routine quality assurance visits of GP practices carried out by the CCG. There is, however, scope for reporting to the PCC to be further strengthened through the provision of information regarding practice opening hours/temporary branch closures. Contrary to the requirements of the Terms of Reference of the PCC, contract variations are not routinely reported to the PCC for agreement, however, they are approved by the CCG's Accountable Officer.

## Summary of actions

	High	Medium	Low	Total
Proposed actions	-	2	-	2
Agreed actions	-	2	-	2

Please note that risk scores reflect the CCG's own risk matrix as per the Risk Management Framework.

## Audit scope

Scope area	Audit testing
Governance arrangements	<p>We confirmed whether:</p> <ul style="list-style-type: none"> <li>effective governance arrangements are in place through the Primary Care Committee (PCC) (or alternative committee with responsibility for delegated functions) that support the CCG in discharging delegated functions relating to contract oversight and management functions.</li> <li>the CCG has relevant policies, procedures and guidance which reflect the NHSE Primary Medical Care Policy and Guidance Manual and have been communicated to relevant personnel.</li> </ul>
Arrangements for Contract Oversight and Management Functions	<p>We confirmed whether:</p> <ul style="list-style-type: none"> <li>the CCG has an up to date contracts register which records all contracts for PCMS and arrangements are in place to check practice opening times and any sub-contracting arrangements.</li> <li>the CCG has processes in place to manage patient lists and registration issues.</li> <li>processes are in place for identification of practices selected for contract review to assure quality, safety and performance.</li> </ul>
Reporting on Contract Oversight and Management Functions	<p>We confirmed whether:</p> <ul style="list-style-type: none"> <li>the PCC, and the Primary Care Sub Group, receives regular updates on contract performance including records of decisions to be made to address any quality and performance concerns.</li> <li>processes are in place for the management of contract variations, practice mergers and closures.</li> </ul>
<p><b>Limitations of scope:</b> <i>The scope of our work was limited to the systems and controls identified in the Terms of Reference. Excluded from scope was the management of conflicts of interests which is subject to a separate mandated internal audit framework. We reviewed arrangements for contract oversight and management but our work does not provide assurance on performance of GP practices.</i></p>	

## Key findings

The following sections of the report summarise the findings of our review. Our risk assessment process aligns with the ISO 31000 principles and generic guidelines on risk management. The risk matrix we use, along with definitions of different opinion levels, is provided at Appendix A.

### 1. Governance arrangements

#### **Responsibility for contract oversight and management functions has been delegated**

The PCC is the committee of the Governing Body with responsibility for the quality of primary medical services. The PCC approved a number of changes to its Terms of Reference at its public meeting in November 2020. Whilst the Terms of Reference are consistent with the Delegation Agreement between the CCG and NHSE, they have not been presented to the Governing Body for information. As the changes were minor in nature we have not raised a finding in this respect.

According to its Terms of Reference, the PCC meets on a monthly basis in public and otherwise when required. The Terms of Reference state that the Committee may resolve to exclude the public from a meeting that is open to the public (whether during the whole or part of the proceedings) whenever publicity would be prejudicial to the public interest.

Throughout the 2020/21 financial year, the PCC met in public on a monthly basis and in private in May, August, October and November 2020. We confirmed that there are robust arrangements in place for reporting from the Committee to the Governing Body through the provision of ratified minutes of the Committee's meetings.

In previous years, through the completion and digital submission of the Primary Care Commissioning Activity Report (PCAR) to NHSE, there was assurance that the CCG had fulfilled its delegated responsibilities. We understand that due to COVID-19, this has been stood down by NHSE for 2020/21. However, the template used for producing PCC papers includes a section titled 'Delegation responsibility' which requires the author of the paper to tick which area of delegated responsibility the paper covers and to indicate which of the delegated duties the paper requires. Furthermore, for 2019/20 the PCC produced an annual report to provide assurance to the Governing Body regarding the delivery of the PCC work programme for 2019/20. A representative from NHSE is invited to attend PCC meetings.

The CCG has established a sub-group reporting to the PCC known as the Primary Care Sub Group. The purpose of the Primary Care Sub Group is to ensure that the development and progression of the primary care agenda is appropriately governed and to ensure an auditable trail of development and approval of documents by the PCC. The Primary Care Sub Group's Terms of Reference were approved by the PCC in December 2020. The Primary Care Sub Group is chaired by the Head of Commissioning who attends the PCC. 'Urgent Issues/ Risks Raised & Appropriate Escalation' is a standing item on the agenda of the Primary Care Sub Group meetings.

The Primary Care Dashboard, which shows practice performance against a number of metrics, is produced on a quarterly basis. The dashboard is checked by the Primary Care Sub Group prior to it being presented to the PCC. In April 2021, the PCC was briefed on the proposed introduction of the national Primary Care Network (PCN) dashboard and the review the proposed indicators against the current CCG Primary Care Dashboard. The Committee was



asked to note the development of the new PCN Dashboard with a view to potential implementation once published.

We confirmed that the Executive Place Director is the overall director for primary care services whereas the Head of Commissioning has overall responsibility for primary care contracting and is supported by the CCG's Primary Care Team, which is made up of the Senior Contracting and Service Improvement Manager (Primary Care), Contract and Service Improvement Manager (Primary Care) and two Senior Contract and Service Improvement Officers. Up to date job descriptions are in place for all posts.

### Policy for contract oversight and management functions

We confirmed that the CCG has adopted the NHSE Primary Medical Care Policy and Guidance Manual (PGM) issued by NHSE. The PGM has been recently updated and a revised version was published on 4 February 2021. We have reviewed the changes and confirmed that these do not impact on the areas we have audited.

There are specific sections within the PGM on contract oversight and management including what evidence could be considered by CCGs, guidance on conducting practice visits and a section on what to do when things go wrong including issuing sanctions and breaches.

In terms of the processes in place to confirm compliance with the PGM, we were advised that the PCC place reliance on the CCG's Primary Care Team to check the guidance provided in the PGM in relation to the items on the agendas of the Committee's meetings. A review of a sample of papers that were presented to the PCC over the 2020/21 financial year confirmed that the PGM was not referred to within the papers – see finding 1. Examples of reports within which we would have expected the PGM to be referred to are: the Primary Care Dashboard; General Practice Contract and Quality Visit Report (a quarterly report providing insight into the outcomes of the latest round of GP contract and quality visits); as well as reports relating to discretionary reimbursement of GP performer payments, applications by GP practices to amend practice boundaries, Local Enhanced Services (LES) and the five-year Framework for GP contract reform. We do, however, note that an NHSE representative attends meetings of the PCC and is therefore on hand to clarify any areas of ambiguity within the PGM.

#### 1 Assurance on compliance with the Policy and Guidance Manual

**Finding:** An action agreed as part of our 2019/20 report on commissioning and procurement was for the CCG to ensure that there are appropriate mechanisms to confirm to the PCC that relevant aspects of the PGM and all of its statutory duties have been considered as part of the proposals put to it for approval. A review of a sample of papers that were presented to the PCC over the 2020/21 financial year confirmed that the PGM was not referred to within these papers.

**Risk:** If a decision is made by PCC and there is a lack of evidence that there has been compliance with the PGM, then the decision could be challenged and overturned. There could be an impact on the reputation of the CCG and patient experience and care.

**Medium**  
(Impact x Likelihood)  
2 x 3

**Action:** The CCG to ensure that there are appropriate mechanisms to confirm to the PCC that relevant aspects of the PGM have been considered as part of the proposals put to it for approval.

**Responsible officer:** Julie Murphy,  
Senior Contracts and Service  
Improvement Officer

**Implementation date:** 31 May



**Management response:** This will be added to the cover paper to ensure this is captured.

## 2. Arrangements for contract oversight and management functions

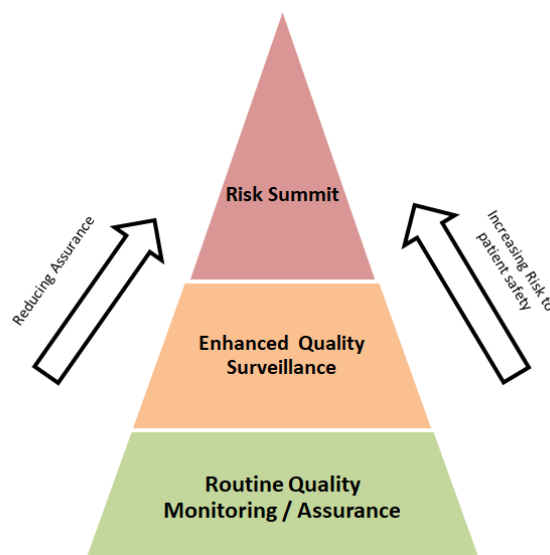
### Contracts register

We were provided with a copy of the CCG's 2020/21 Contract Checklist which stated that the CCG contracts with 30 GP practices to deliver core, additional and enhanced services, all of which have the same start and end dates. The Senior Contracting and Service Improvement Manager (Primary Care) confirmed that the CCG actually contracts with 29 GP practices, 28 of which have contracts in perpetuity and one of which has been renewed until 31 March 2026. It was confirmed that the Checklist has since been updated to reflect the correct position.

### Approach to contract oversight and management

The CCG's approach to contract oversight encompasses the following:

- Reporting of the CQC rating for each GP practice in Rotherham to the Governing Body on a monthly basis as part of the Patient Safety/Quality Assurance Report. Only one GP practice in Rotherham received a rating of 'Requires Improvement' as part of its latest CQC inspection. We were advised that this practice will remain under enhanced surveillance until there is an improvement in its CQC rating and that the practice receives a visit from the CCG's Primary Care Team each time it receives a rating of 'Requires Improvement' from the CQC.
- Use of a process for managing quality and contracting which describes the escalation in relation to quality assurance in three distinct stages namely routine quality monitoring, enhanced surveillance and an enhanced quality review/risk summit as appropriate:



- Completion of GP Quality and Contracting Visits whereby the CCG visits each GP practice once every three years. The visits are intended to be supportive in nature and designed to improve the quality of primary care in line with the responsibilities of the CCG under co-commissioning of primary care. This is in line with section 2.3.1 of the PGM which refers to a requirement for Commissioners to undertake a risk-based approach to reviewing

contracts, along with a rolling programme of deep-dive contract reviews. A number of scheduled visits had to be stood down at the start of the COVID-19 pandemic and are currently being carried out virtually.

- Quarterly review of the General Practice Contract and Quality Visit Report, which provides insight into the outcomes of the latest round of GP contract and quality visits.
- Quarterly review of the Primary Care Dashboard, which shows practice performance against a number of metrics.
- The Contract and Service Improvement Manager (Primary Care) checks the annual GP Practice electronic self-declaration (eDec) submission to ensure that there are no discrepancies.

Our comparison of the CCG's approach to contract oversight via the above mechanisms to the guidance within the PGM issued by NHSE at section 2.5.18 found it to be consistent with requirements.

The Senior Contracting and Service Improvement Manager (Primary Care) is responsible for the leadership and development of the quality agenda for GP practices within Rotherham including overall responsibility for the practice quality and contracting visit process.

Section 2.6.7 of the PGM refers to a requirement for Commissioners to undertake a rolling programme of review which should include a random sample of practices not identified through other intelligence led approaches. The CCG has a programme of GP Quality and Contracting Visits as described above. The CCG has agreed with the LMC that any practice which has a CQC rating of 'requires improvement' should receive a visit in the current year and all other practices in their scheduled year. The visits are carried out by a panel which is made up of the CCG's Lead GP for Primary Care, Senior Contracting and Service Improvement Manager (Primary Care) and a Senior Contract & Service Improvement Officer. At the time of our review, the CCG was carrying out the visits virtually due to the COVID-19 pandemic.

#### Arrangements for review of opening times

We found that the CCG does not provide any reports relating to the annual GP practice electronic self-declaration (eDec) to the PCC. We were advised that all practices in Rotherham have now submitted their 2020 declarations. Benchmarking found that another CCG within South Yorkshire provides assurance to the public meeting of its PCC that all practices have submitted their responses as required and that the information collected via the eDec included opening hours. The CCG should consider providing this assurance to PCC.

#### Practice closures

The CCG has not maintained a formally documented record of all those practices whose branch opening hours were temporarily changed due to the COVID-19 pandemic as these were operational decisions made day by day to assist the practices on a short-term basis. The CCG, through completion of routine checks on practices' social media pages, identified that a practice had closed its branch in June 2020. Consequently, the Senior Contracting and Service Improvement Manager (Primary Care) had several conversations with the practice and told them that they needed to reopen as a matter of urgency. The practice reopened the branch in July 2020 but this was followed by a number of further temporary closures with the latest being in November 2020.

The CCG carries out checks on a weekly basis (daily basis at the height of the pandemic)

whereby GP surgeries are asked a number of questions including whether all branches of the practice are open for the delivery of services. The results of these weekly checks are sent by the Senior Contract and Service Improvement Officer to the Contract and Service Improvement Manager (Primary Care) and the Senior Contracting and Service Improvement Manager (Primary Care). Only two practices declared a branch closure since the start of the pandemic.

The CCG should consider reporting temporary practice branch closures and temporary changes to practice branch opening hours to the PCC.

#### **Arrangements for sub-contracting**

Practices within Rotherham are able to utilise the extended access service (before 8am and after 6:30pm Monday to Friday and at weekends), which is contracted by the CCG and delivered by Connect Healthcare Rotherham Community Interest Company (CIC), a Federation formed by all 29 GP practices in Rotherham.

#### **Management of patient lists and registration**

Where registration issues arise, the CCG operates within the detail of the contract to assign patients to applicable practice lists at their request. The CCG has produced a guidance document for managing patient assignments which covers practice refusal to register a patient, removal of a patient from a practice list and assigning a patient to a practice list.

Targeted list maintenance is not organised by the CCG's Primary Care Team, it is arranged by Primary Care Support England nationally.

#### **List closure**

Wherever possible, the CCG maintains open lists but if a practice wished to close its list, the request would be sent to the PCC for a decision, accompanied by a recommendation taking account of the implications. The CCG has produced list closure guidance which sets out the process for temporary closures and formal list closures. A request to close a list has not been received by the CCG during 2020/21 but the process followed would include the practice providing a defined set of information to the CCG.

#### **Out of area registration**

This is managed in-line with the national GP Choice Scheme. We were advised that all practices within Rotherham have agreed to register patients who live outside of the practice boundary area.

#### **Special Allocation Scheme (SAS)**

The CCG commissions the Gate Surgery to deliver the Special Allocation Scheme but administration of the scheme itself takes place in NHSE/I.

### **3. Reporting on contract oversight and management functions**

#### **Receipt of regular updates on contract performance by committees**

Through the receipt of various papers between April 2020 and March 2021, the PCC has received appropriate and sufficient information to enable it to be assured with regard to the process in place for contract performance.

#### **Management of contract variations and practice mergers**

We confirmed that between January and December 2020 there were 16 contract variations

(CV). These were either the addition of a new partner, the resignation or retirement of an existing partner, a merger between two practices or a practice name change. We could confirm that all of these CVs had been approved by the CCG's Accountable Officer. The CCG does not report contract variations to the PCC despite the PCC's Terms of Reference clearly stating the responsibility of the Committee to agree contract variations and to undertake reviews of primary care services where appropriate, within delegated limits – see finding 2.

We reviewed arrangements for practice mergers in detail as part of our review in 2019/20 on commissioning and procurement. No recommendations were made. A merger between two practices which took effect on 1 January 2020 was approved by the PCC at its meeting in December 2018 and by the Accountable Officer on 18 March 2020.

## 2 Contract variations

**Finding:** Whilst contract variations are approved by the CCG's Accountable Officer, they are not routinely reported to the PCC. The Terms of Reference of the PCC clearly state that the responsibility of the Committee to agree contract variations.

**Risk:** If contract variations are not formally agreed by the PCC as per the requirements of its Terms of Reference, then there is a risk that the Committee may not be fulfilling all of the duties that have been delegated to it.

**Medium**  
(Impact x Likelihood)  
2 x 3

**Action:** As per the requirements of the Terms of Reference of the PCC, contract variations to be routinely reported to the PCC for approval.

**Responsible officer:** Sara Hartley,  
Contract & Service Improvement  
Manager (Primary Care)  
**Implementation date:** 31 May  
2021

**Management response:** Contract variations will be reported to PCC on a quarterly basis.

## Management of practice closures

There have not been any permanent practice closures during 2020/21.

## Follow-up

Actions raised during this review, will be followed up using the tracker. This will include obtaining documentary evidence to demonstrate that actions agreed as part of this review have been implemented.

Calculate the risk score by multiplying the consequence score by the likelihood score.

Risk Matrix		Likelihood				
		(1) Rare	(2) Unlikely	(3) Possible	(4) Likely	(5) Almost certain
Consequence	(1) Negligible	1	2	3	4	5
	(2) Minor	2	4	6	8	10
	(3) Moderate	3	6	9	12	15
	(4) Major	4	8	12	16	20
	(5) Extreme	5	10	15	20	25
1-5		Low				
6-11		Medium				
12-15		High				
16-20		Very High				
25		Extreme				

The audit opinion has been determined in relation to the objectives of the system being reviewed. It takes into consideration the volume and classification of the risks identified during the review.

These are the opinion levels as prescribed within NHS England's Internal Audit Framework for delegated Clinical Commissioning Groups.

Audit opinions	
Full assurance	The controls in place adequately address the risks to the successful achievement of objectives; and the controls tested operate effectively.
Substantial assurance	The controls in place do not adequately address one or more risks to the successful achievement of objectives; and/or one or more of the controls tested are not operating effectively, resulting in unnecessary exposure to risk.
Limited assurance	The controls in place do not adequately address multiple significant risks to the successful achievement of objectives; and/or a number of controls are not operating effectively, resulting in exposure to a high level of risk.
No assurance	The controls in place do not adequately address several significant risks leaving the system open to significant error or abuse; and/or the controls tested are wholly ineffective, resulting in an unacceptably high level of risk to the successful achievement of objectives.