

**MINUTES OF THE FINANCE & PERFORMANCE MEETING
HELD ON WEDNESDAY, 22nd FEBRUARY 2017 AT 10.00 AM
AT MEETING ROOM, KING'S COURT, CHAPEL STREET, KING'S LYNN**

Present:

Chair	Rob Bennett	(RB)	Lay Member (Finance) (Chair)
	Dr Ian Mack	(IM)	WNCCG Chair
	Melvyn Peveritt	(MP)	Vida Healthcare
	Chris Humphris	(CH)	Interim Chief Officer
	Chris Randall	(CR)	Chief Financial Officer
	Emma Kriehn-Morris	(EKM)	Deputy Chief Finance Officer

Attendees Lisa Preston (LP) Admin Support (Minutes)

ACTION

17.11 APOLOGIES

Rev Hilary De Lyon (HDL)

17.12 NEW DECLARATIONS OF INTEREST

CH advised the Committee that his wife has retired. CH would contact HF to action the amendment on the Register of Interests.

CH

17.13 CONFIRMATION OF ANY PART OF THE AGENDA THAT IS EXEMPT UNDER THE FREEDOM OF INFORMATION ACT

Item 17.18.02b is considered FOI exempt.

17.14 MINUTES OF THE PREVIOUS MEETING HELD ON 24th JANUARY 2017

LP to separate the FOI Minutes from the main Minutes.

LP

With this amendment the minutes were accepted as an accurate record.

17.15 ACTION LOG/MATTERS ARISING

Action Log:

- **16/16** – Contract management is an Agenda Item. Item is now closed.
- **27/16** – QEHKL has made a number of Senior Team appointments. IM advised a telephone discussion with the Chairman of the Board would be arranged.
- **37/16** – CH advised that work continues on a standard dashboard intended for sharing and comparing common information. Item is now closed.
- **43/16** – CR included 'Dementia Care' indicators in the integrated reports. See also Agenda item 17.17 below. Item is now closed.
- **44/16** – RB advised Capita contract concerns were raised at the Joint Primary Care Committee. A team would look at this, nationally. The issue would be a watching brief for RB. Item is now closed.
- **01/17** – CH advised the development of services continued in the current year. A costed plan for 2017/18 is in progress but may be affected by the Chancellor's Spring Budget (8th March 2017). A discussion into the feasibility of a project manager for frailty care would be anticipated. Item is now closed.
- **02/17** – The 'Sustainability and Transformation Plan' is an Agenda Item. Item is now closed.

- **03/17** – Current thinking in relation to running costs is an Agenda Item. Item is now closed.
- **04/17** – CR/CH identified the most appropriate time to present a Paper on the Financial Plan to the Committee at the 21st March 2017 meeting. Item is now closed.
- **05/17** – CR to present a Paper on lessons learned at the 21st March 2017 meeting.
- **06/17** – CR/CH identified the most appropriate time to share the Financial Plan with the Governing Body at the next meeting to be held on 30th March 2017. Item is now closed.
- **07/17** – IM to raise issue of patient discharges delayed for extensive periods with the Governing Body and feedback response. Item is now closed.
- **08/17** – A thinking Paper regarding procurement is an FOI Exempt Agenda Item. Item is now closed.
- **09/17** - STP agreed to defer a second-wave bid until the next financial year. CR to update the Committee in due course. Item is now closed.
- **10/17** – The Risk Register to be added to as a standard Agenda Item. Item is now closed.
- **11/17** – A review of 2016/17 to be included in 21.03.17 discussions. Item is now closed.

Matters Arising (Minutes of Previous Meeting):

ACTION

IM would chase a response from NHS Clinical Commissioning (NHSCC) regarding the Quality Premium Award.

IM

Suggested topic(s) for next meeting Agenda:

None.

17.16 FINANCIAL PLAN 2017 – 2019

CR advised that WNCCG was required to submit Financial Plans for 17/18 and 18/19 to NHS England: submissions may not be final versions. CR advised a small number of updates would be made to the Plans by 24th February 2017:

CR

- The Ambulance Service contract had progressed from arbitration to settlement. The resulting cost pressure to WNCCG would be circa £400k, in the 2017/18 reserve budget (not QIPP).
- There would be reduction in non-recurrent costs in the 2018/19 Plan due to a double count. The change would not affect QIPP.
- Running costs for 2018/19 would be revisited: 20% reductions were considered but deemed unsustainable and would present a risk for delivery of QIPP.
- The 2018/19 QIPP would be expected to increase by circa £400k, equating to circa 3.8% of allocation.

CR would present a Paper for Finance and Performance Committee sign-off at the 21st March 2017 meeting, ahead of submission to the Governing Body before the new financial year. The Paper will include the following as a combined submission:

CR

- Financial Plan 2017/19
- Best Value QIPP 2017/18
- Operational Plan 2017/18
- Primary Care Plan 2017/18

Primary Care would require a post-April manual adjustment (i.e. in the next financial year), as it was not currently captured in allocation figures.

17.17 INTEGRATED FINANCE & PERFORMANCE REPORT – M10

The Committee found the Paper's summary page useful. The key message indicated a stronger performance in areas of previous concern, including: Cancer Care; A&E and, RTT.

CH summarised:

- Nationally, A&E is operationally under pressure but NHS England advised that WNCCG had performed relatively well. Performance improvements were a result of actions taken. However, 95% had not been achieved so WNCCG remained under pressure.
- There had been improvements in Mental Health recovery. Relatively small numbers of patients are involved. CR would include patient numbers in subsequent reports.
- A solid improvement in Dementia Care was achieved in January 2017. Data from one practice had been omitted from the January 2017 figures: WNCCG actually achieved circa 64%.
- There were no recurrent concerns to be brought to the Committee's attention.

CR

CH advised the 18-week performance measure for Planned Care would come under increasing pressure unless demand is managed. CH would be in discussions to establish N&NUH capacity.

CH

Paper page 8: IAPT figures to October 2016 did not reflect the improvement achieved as it is calculated as a rolling 3-month average.

Paper page 9: CDIFF performance improved in December 2016 as a result of bilateral action by WNCCG's Quality Team and QEHKL. MP queried the identification of CDIFF in patients upon admission to care homes, who were tested as clear when discharged by QEHKL. CH would pass the issue to Maggie Carter for investigation.

CH/MC

Paper page 10: A&E admissions had increased but were relatively short-stay. QEHKL's performance was better than the original trajectory: 88% was achieved in January 2017 and, 90% was expected in February 2017.

Paper page 15: The standard performance indicator of 62 days for urgent GP referrals in regards to cancer was not achieved in the last two months

Paper page 29: There was a noticeable drop in referrals in December 2016. Year-on-year comparison suggests this is a natural trend for December but, as the scale of reduction exceeded previous years, it would require a watching brief in terms of sustainability.

CR would include page 29 in the Performance Report in future.

CR

Paper page 30: The Committee noted a significant drop in follow-up attendances in December 2016. Demand management for Best Value Schemes has been reported separately (i.e. prescriptions; CHC; planned and unplanned care). Going forward, the report will include a summary of the wider picture in addition to individual schemes. CR/CH would discuss the best method of presentation.

CR/CH

**17.17.01 Finance and Performance Integrated Report –
Month 10 including Better Value Update:**

EKM summarised the key messages:

- The month 10 deficit was reduced by £0.3m but was behind WNCCG's mitigated plan.
- In regards to the planned surplus of £1.4m, WNCCG agreed plans with NHS England for mitigation actions that would return the CCG to plan at the end of the financial year.
- WNCCG curtailed enhanced claims: recognising an element of risk, this was managed contractually as part of year end deals.
- The provision for recovery was the same as reported in December 2016.

CR would continue discussions relating to the escalation process, which predominantly involved inappropriate admissions of large substantiated value. Resolution of the issue would enable the reporting of accruals.

CR

EKM summarised:

- Improvements achieved in prescribing were non-recurrent expenditure.
- The crystallisation of £1.2m costs in the current year was higher than expected. A third of that sum was released in the January 2017 accounts.
- WNCCG was £600k from target.

The Committee noted that an estimated mitigation of £1.09m was reasonable and realistic.

CR summarised FRP issues:

- Planned and Unplanned Care (circa £1m): WNCCG was concerned about securing additional monies from NCC circa £400k for Social Care patients (on virtual ward).
- Clinical thresholds in the last quarter were circa £0.5m. The original schedule was £2m.
- WNCCG had invested in the CHC team.
- WNCCG included a provision to recover circa 2/3's of £2m retrospective patient costs from other CCG's (accumulated over a 10-year period). A similar exercise was previously undertaken by other CCG's.
 - Currently, costs for circa 12 patients were incorrectly being borne by WNCCG.

CR would have early discussions with the External Audit Team regarding the approach WNCCG will be taking, ahead of the year end accounts.

CR

EKM would generate a Paper regarding existing patient cases incorrectly costed to WNCCG (circa £150k in the current financial year).

EKM

Additional recovery would require focussed work to identify the difference between agreed care packages and the amounts actually invoiced over a 9-month period. Limited resource was available.

CH advised the Committee that the 2017/18 Plan was progressing. Unplanned care and unelected admissions would be combined on the bottom line, to show the overall impact.

Paper page 20: EKM to review the mapping for January 2017 figures. A provision with circa £100k tax liability accrued was included in acute care rather than

EKM

prescribing.

Bed costs for mental health were over budget in January 2017 due to backdated claims. Back-charging methods (Astley Court) may be reviewed.

Paper page 38: CC2 (Independent Sector Contracting) figures were a cautious assessment on fixed costs at year end. PR1 (Prescribing Quality Team 2016/17) had been stretched. WNCCG required circa £100k savings to achieve the full year total.

The Committee noted that, at the commencement of the current financial year, £10m savings were required. During the year, the required savings increased to £14m. WNCCG has performed well and improvements are ongoing.

UC1 (Care Home Matrons): planned spend was shown in QIPP as it is non-recurrent. Rapid work would be required in care home support: some transformational monies would be available but vanguards would be observed elsewhere, such as the early visiting of patients in care homes by a GP or matron for which one-off funding covering 18-months had been planned.

Paper page 43: CR advised FC4 savings of circa £1m were already in place (3 separate schemes). High level representation on the plan is in development.

RB would update the Governing Body regarding the Finance & Planning Committee at the meeting on 23rd February 2017. **RB**

CR/CH would relay the Committee's thanks to PR in context of the preparation for the 2017/18 plan and, input during the current year. **CH/CR**

17.17.02 Financial Recovery Plan Update:

Paper page 39: The 2017/18 plan included a review of high cost packages, a number of which are not due for completion in the current financial year.

Paper page 49: The Committee found the Executive Summary, in written form, was useful in terms of month end consideration. EKM would include a written summary in subsequent reports. **EKM**

The planned in-year savings of £10m were positive although improvements in activity levels would be required. As a 2-year process, WNCCG's progress during the current financial year (year 1) was significant. The Committee was more confident in regards to projected progress for year 2, which would include a further £10m savings. 4% QIPP, and complex behaviours across the system (particularly primary care), would be a challenge.

CR/PR would present a Paper to the Committee at the 21st March 2017 meeting to review lessons learned and their application in 2017/18. **CR/PR**

EKM advised an improvement in the general understanding of scheme operation and management had assisted the relationship between scheme managers and finance. The cost of recurrent losses was reducing. CR/EKM would present a Paper on the recurrent balance in the next 3-months (May 2017). **CR/EKM**

IM wished the record to show his thanks to all WNCCG colleagues for their considerable work in achieving the financial recovery.

IM departed the meeting at 11.30am. The meeting remained quorate.

CH and CR attended a meeting with NHS England on 15th February 2017. WNCCG presented predicted outcomes for 2016/17, including:

- A forecast of schemes that would continue to achieve in the remainder of the current financial year and benefit historic CHC cases.
- The process of agreeing contract variations has been deferred to the 2017/18 financial year.
- A surplus of £1.4m is still possible, taking net risk out of position.

NHS England challenged WNCCG to ensure the predicted figures would be robust: WNCCG would be expected to deliver to plan.

WNCCG achieved circa £1.75m of the £1.8m non-recurrent costs forecasted in the 2016/17 plan. Agreement would be reached with individual providers to achieve the outstanding circa £200k, ahead of accounts sign-off. A clear audit trail would be available.

The meeting Paper included:

- An update in terms of risks and mitigations for 2017/18
- Net risk of largest items; best value delivery and outcome of ambulance service arbitration (which was unknown at the time of submission)

NHS England's feedback was positive: WNCCG's plan was well received and considered achievable.

CH confirmed Q2 to Q3 fines had been levied on N&NUH. It was mutually agreed that N&NUH would not be fined for Q1. Q3 was withheld from payment in February 2017.

The Committee noted that contract variations were moving towards agreement with providers, including QEHL. Some challenges remain with other providers, such as NCH&C and NSFF.

The Committee noted that QEHL was circa £13.8m in deficit, excluding STF monies, with a year-end forecast of circa £18.3m deficit. KPMG were currently conducting a review. Current year STF for QEHL would be circa £6m.

The CTP review concluded there was a degree of high DDH. WNCCG would not pay more for services, so costs would not reduce. QEHL's overall costs exceeded its income. In 2017/18 QEHL would not receive the desired levels of funding for investment in primary care services, which would be delivered without transformational funding.

17.18 CONTRACTUAL PERFORMANCE INCLUDING CSU

17.18.01 Contract Update – Current Issues and 2017/18 – 2018/19 Negotiations (including QEHL):

A contract is in place with QEHL for 2017/18. Improvements in QIPP plan follow-ups would be required of QEHL to meet contractual terms and avoid financial penalties.

QEHL had made a number of senior team appointments: WNCCG would develop working relationships on an individual and team basis.

In regards to the Ambulance Service arbitration: collectively, 17 CCG's offered £204m (a 4% increase) in comparison to the £218m requested by the Ambulance Service. Arbitration was concluded with an award of £213.5m of which, circa

£400k would be charged to WNCCG.

17.18.02 CSU Update:
a) CSU Dashboard

The dashboard reflected KPI's in place but would not provide an accurate representation of the day-to-day situation as it was not qualitative.

WNCCG invested in additional resourcing which should have been covered by the terms of the existing contract.

b) ** This item is FOI Exempt**

17.18.03 a) STP Update

CH departed the meeting at 12.30pm. The meeting remained quorate.

STP updates comprise of bi-monthly meetings. The process to refresh the Financial Plan for STP would commence imminently. WNCCG's focus would be on solutions rather than identified gaps.

The required resourcing was a topic of debate within the CCG and its providers. Each STP would receive circa £250k support. In 2017/18, circa £30k would be required to fund specific posts by all STP participants. Meetings on this issue would be ongoing.

WNCCG would observe the appropriate Governance of the STP but guidance was unclear: the STP was not a statutory body but STP Leads had assumed statutory powers. Concerns regarding poor STP engagement and a lack of consultation were raised at a meeting attended by Sir Henry Bellingham and Rt Hon. Liz Truss.

b) Transformational Spending Update:

NHS England would assess bids in February 2017. Outcomes would be communicated, nationally, in mid-March 2017.

NHS England's last assessment was in regards to cancer care: 7 STP's were identified as 'good'; the remainder were deemed of varying quality.

CR to update the Committee on NHS England assessment outcomes at the 21st March 2017 meeting. **CR**

17.19 COMMITTEE GOVERNANCE

Update on Compliance with Terms of Reference:

Medium term capital plans were not formally submitted to the Committee at this time as the medium term extends beyond 2 years and links to the underlying financial position going forward.

CR/EKM will present updates for Committee scrutiny at the 21st March 2017 meeting, regarding: **CR/EKM**

- Medium Term Planning
- CSU Performance

- Final Agreement of 2017-19 budgets prior to submission to the Governing Body.

CR to present a Paper at the 21st March 2017 meeting identifying new areas of investment; the business case and spend lock-down; risk management to avoid budget change.

CR

RB confirmed the Governing Body did not refer any issues for Finance and Performance Committee discussion.

17.20 RISK REGISTER

Within the Governing Body Assurance Framework, responsibility for a number of risks on the Risk Register had been designated to the Finance and Performance Committee to review, check and challenge.

The Committee noted that the Risk Register was a live document and subject to ongoing updates and evolution.

The Committee confirmed it had been made aware of all current issues and acknowledged the opportunity to formally challenge the Risk Register.

Engagement with Member Practices/GPs had commenced but required improvement. To ensure the CLEX challenge would be robust, the committee within West Norfolk Health would challenge Members to deliver the message.

MP

The Committee would consider CLEX as a critical forum in regards to WNCCG moving into delegated commissioning.

ALL

Risk Register item 4.10: The Committee noted that the impact of tariff changes was unknown at this time.

The Risk Register and GBAF would be added as a standard Agenda Item until further notice, then revert to quarterly review.

RB/LP

17.21 ANY OTHER BUSINESS AND REFLECTION ON MEETING

CR would review a recent consultation paper measuring surplus, which had a deadline of 8th March 2017. As appropriate, CR would report headlines to the Committee at the 21st March 2017 meeting.

CR

In regards to forward planning, RB to send CR a drafted plan in advance of the 21st March 2017 meeting, to facilitate comment and to set direction.

RB

The Committee would consider the numbers and make-up of its Members.

ALL

CR would review the Terms of Reference at the 21st March 2017 meeting.

CR

17.22 DATE OF NEXT MEETING

The next meeting of the Finance and Performance Committee will take place on Tuesday, 21st March 2017 at 10am.

There being no further business the meeting closed at circa 12.50pm.