

**MINUTES OF THE FINANCE & PERFORMANCE MEETING  
HELD ON WEDNESDAY, 24<sup>th</sup> May 2017 AT 10.00 AM  
AT MEETING ROOM, KING'S COURT, CHAPEL STREET, KING'S LYNN**

<b>Present:</b>	<b>Chair</b>	Rob Bennett	(RB)	Lay Member (Finance) (Chair)
		Rev Hilary De Lyon	(HDL)	Lay Member Audit Chair & Deputy WNCCG Chair
		Melvyn Peveritt	(MP)	Vida Healthcare
		Dr Ian Mack	(IM)	WNCCG Chair
		Chris Humphris	(CH)	Interim Chief Officer
		Chris Randall	(CR)	Chief Financial Officer
		Emma Kriehn-Morris	(EKM)	Deputy Chief Finance Officer
<b>Attendees</b>		Lisa Preston	(LP)	Admin Support (Minutes)

**ACTION**

**17.51 APOLOGIES**

None.

**17.52 NEW DECLARATIONS OF INTEREST**

CH advised the Committee that, contrary to his understanding at the 22<sup>nd</sup> February 2017 meeting, his wife had not retired and should therefore be reinserted on the Register of Interests. CH would contact HF to action the amendment on the Register of Interests.

**CH**

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

**\*\*Item 17.60b is considered FOI exempt.\*\***

**17.54 MINUTES OF THE PREVIOUS MEETING HELD ON 26<sup>th</sup> APRIL 2017**

**a) Minutes of meeting held 26<sup>th</sup> April 2017**

Page 3, line 1: '*Sustainable Transformation Plan*' to be amended to '*Sustainability & Transformation Plan*'. **LP**

With this amendment the minutes were accepted as an accurate record

**17.55 ACTION LOG / MATTERS ARISING**

**Action Log:**

- **27/16** – (A telephone discussion with the QEHKL Chairman of the Board would be arranged): IM advised this had not yet taken place. Good dialogue between QEHKL and WNCCG was ongoing at all levels, providing a strong basis for relationship development. Item Closed.
- **16/17** – (N&NUH capacity): Item Closed. See Associated Action #65/17.
- **20/17** – (QEHKL escalation process involving inappropriate admissions of large substantiated value): On Agenda (Item 17.60).
- **21/17** – (Early discussions with Ernst & Young - External Auditing Team - ahead of the year end accounts): Item Closed.
- **22/17** – (EKM Paper regarding existing patient cases incorrectly costed to WNCCG):

EKM to re-request information and present to the Committee at the 26<sup>th</sup> June 2017 meeting.

- **39/17** – (Best Value Scheme reporting process changes): On Agenda (Item 17.59).
- **40/17** – (A Paper documenting a WN control total (QIPP savings) and including STP totals): Action is dated for 26<sup>th</sup> June 2017 meeting.
- **41/17** – (Individual scheme figures to be articulated in reports): Item Closed.
- **43/17** – (A report on the conclusion of contract negotiations): On Agenda (Item 17.60).
- **44/17** – (Full Delegation): Item Closed.
- **47/17** – (WNCCG’s Operating Plan to be presented to the Committee in May for approval and, referral to Governing Body): Item Closed.
- **50/17** – (GBAF 2.1 amendment): Item Closed.
- **51/17** – (Operational performance Paper): On Agenda (Item 17.57). Item Closed.
- **52/17** – (Written CO’s Report for GB): JW would generate a written CO’s report for the GB. Item Closed.
- **53/17** – (Business Case template): Item re-dated to 26<sup>th</sup> June 2017.
- **54/17** – (Business Case updates to CLEX): On the Agenda for the next CLEX meeting on 6<sup>th</sup> June 2017. CR to update the F&P Committee in due course.
- **55/17** – (CH’s presentation to SMT to be circulated to the Committee): Item Closed.
- **56/17** – (The same information reported to NHSE to be captured in monthly Integrated Report): Item Closed.
- **57/17** – (QEHKL’s 62-day Cancer Wait Target update): On Agenda (Item 17.58).
- **58/17** – (Committee’s appreciation to be extended to Staff): Item Closed.
- **59/17** – (Summary of NHSE Recovery Plan Paper): On Agenda. Item would also be discussed at the Audit Committee on 24<sup>th</sup> May 2017.
- **60/17** – (Best Value lessons learned): Item Closed.
- **62/17** – (F&P ToR for submission to GB): Item Closed.
- **63/17** – (Identification of Best Value Schemes for Committee review): On Agenda (Item 17.59).
- **64/17** – NEW – The Register of Interests to be amended to declare CH’s wife’s employment status. **CH**
- **65/17** - NEW (N&NUH capacity – 18wk performance): A summary of N&NUH’s performance to be included in the Committee’s monthly Performance Report from the 26<sup>th</sup> June 2017 meeting. **CH**
- **66/17** – New: ‘Part 2’ Actions to be recorded accordingly. **LP**

**Matters Arising (Minutes of Previous Meeting):**

Paper 17.55 (WNCCG Operational Plan 2017/18 to 2018/19, dated December 2016): The Paper was noted without discussion.

**STATUTORY DUTIES (inc. Financial Management & Value For Money)**

**ACTION**

**17.56 Risk Register (GBAF & CRR Review)**

CR summarised:

- There were no specific issues for the attention of the Committee.
- No new risks had been identified.
- The Risk Register was a rolling process:
  - Consideration may be given to reinvigorate future reporting.
  - The SMT was effective in reviewing risks at a detailed level. The Committee had sight of the bigger picture.

**17.56a GBAF:**

Risk 2.1 (“*Risk of failure to deliver system sustainability*”): The Committee noted that the status of delivery was unclear. CH confirmed that one element had been

completed but further actions were outstanding.

Risk 4.4 (“*Risk of significant over-performance on acute contracts*”): The Committee noted that the current status was unclear. CR acknowledged that the issue was in the clarity of risk description and what level of risk was represented.

The Committee noted the need to appropriately reflect upon risks at statutory and non-statutory levels.

ACTION:

GBAF 2.1 & 4.4: CR to amend wording for clarity and understanding of the current status.

**CR**

ACTION:

SMT to review and amend GBAF presentation and scoring for the 26<sup>th</sup> June 2017 meeting.

**CR/  
SMT**

**17.56b CRR:**

CRR Commissioning, 1.14 (“*There is a risk that there could be breach in the 18 week RTT target caused by a number of factors*”): CH confirmed that QEHL was consistently achieving the 18 week target. Dermatology referrals were in QIPP for the current year.

ACTION:

CRR Commissioning, 1.14: The status and completion date to be updated for clarity and understanding.

**CR**

CRR Commissioning, 1.15 (“*There is a risk that there could be breach in the Cancer 62 day target which is brought on by a number of factors*”): The Committee queried if the actions reflected the ability to deliver and, if the risk rating was correct. CH advised that there would be specific actions required at a national and local level to deliver performance, which would enable the CRR to be updated.

The Committee noted that Risk Registers provided assurance for the Committee that the management of risk was appropriate.

The Audit Committee had scheduled a review of risk management as an agenda item for its 7<sup>th</sup> September 2017 meeting.

CRR Finance and Governance was noted without discussion.

**17.57 Review Operational Performance Metrics**

CR summarised:

- The document review was conducted under the Improvement & Assessment Framework.
- WNCCG already had a suite of good material.
- Section 6 reflected on challenges for the Committee to consider in terms of ‘best of breed’ type reporting:
  - Clarity regarding clinical leadership
  - Reporting of recovery work
  - Reporting of risks in terms of trend or movement (appendix 2)
  - Duplication of reporting

The Committee noted that the quality of WNCCG’s Papers was high, but a

summary of key points was helpful for larger reports. A balance was needed between the need for information and the resource available.

ACTION:

CR would work with executive colleagues for live information as part of an on-going process of document refinement.

CR

**STRATEGIC FINANCE**

**ACTION**

**Not Scheduled for May 2017**

**FINANCIAL MANAGEMENT**

**ACTION**

**17.58 Performance Report – Month 12**

Cancer 62 day Wait Target:

CH summarised:

- The target is for 85% of patients to progress from referral to treatment within 62 days.
- The target was missed in February 2017 by 3 patients and by 10 patients for the year-to-date.
- NHSE's expectation was for the 85% target to be achieved by July 2017 and maintained thereafter.

The Committee noted that the available statistics did not identify how far in excess of the 62-day target each case had over-run.

CH confirmed that there had been no breaches in excess of 100 days (such breaches would be reportable to the Governing Body, detailing the reason for the excessive waiting time and, measures that would prevent a recurrence of issues).

ACTION:

CH would update the Committee outside of the meeting in regards to the scale of delay for each of the 10 patients that exceeded the 62 day wait target for the year-to-date.

CH

The Committee noted that:

- Dr Mark Funnell, during his tenure, had reviewed clinical issues and significantly refreshed work done.
- Cancer care involved complex pathways: more than one specialism could result in potential delays arising from transfers and investigations.

CH confirmed that the new Performance Report would replace a number of tables with a single table that would provide more appropriate information.

Improving Access to Psychological Therapies (IAPT):

CH summarised:

- Access rates achieved between November 2016 and January 2017 against the 3.75% standard target were good.
- Recovery rates achieved within the same period against the standard target of 50% were not as good but, WNCCG's performance was ranked as being mid-table for East Region CCG's. CH confirmed that performance in the final quarter had improved, achieving percentages in the high 40's.

ACTION:

The IAPT position would be reviewed in terms of delivering metrics.

CH

Dementia Care:

CH confirmed that Dementia Care had achieved a result of 64.2% against the standard target of 66.7%.

The Committee noted the strong set of results.

**Finance:**

There was no Finance Report for Month 1.

AOB Paper (Month 11 to Month 12 Movements):

CR confirmed that:

- The Paper provided a greater breakdown on the movement of M11 (deficit) to M12 (surplus).
- The Recovery Plan started in-year and provided a period of stabilization with a steep curve.
- Additional QIPP would not be effective quickly.

The key material movements were summarised in Table 2:

CUHFT:

CR advised this was a 1-off item relating to a change in the contractual position with Addenbrooks Hospital (from block to PUR) resulting in a double charge. A credit had been received from Addenbrooks on 31<sup>st</sup> March 2017.

Eastern Pathology Alliance (EPA):

CR confirmed WNCCG's position was that the original structure of the arrangement was unfair and it had been duly challenged. The local CCG's recognised WNCCG's challenge as an accrual in their accounts. The issue (an historical argument) was not yet resolved. For 2017/18 financial purposes the assumption was that the issue would not be resolved in WNCCG's favour: £600k had been allowed-for, but the challenge would continue.

RB challenged the EPA cost pressure. CR advised that, in the event of a successful resolution, QIPP for 2017/18 would be reduced accordingly. However, the estimates allowed for the possibility of an unsuccessful resolution. HDL confirmed the issue would be raised with the Auditors (internal and external) at the Audit Committee meeting scheduled on 24<sup>th</sup> May 2017.

RB challenged the move from deficit (M11) to surplus (M12):

NCH&C Disaggregation Challenges:

CR advised there had been a shared contract with NCH&C which necessitated a disaggregation of service lines and costs relative to WNCCG. A number of service lines had been charged disproportionately, resulting in WNCCG challenging the chief commissioner (Norwich). The issue was still in dispute. Details of the disaggregation had only been obtained from NCH&C in the course of 2016/17: the evidence affected revised assumptions.

SRCL Invoice Settlement Dispute:

CR confirmed this was a convoluted contractual dispute concerning patient transport charges that had incorrectly been attributed to WNCCG. A resolution was in progress and a credit of £200k was taken in the accounts.

CHC – Responsible Commissioner Challenges:

CR confirmed the ongoing dispute was in relation to costs inappropriately allocated to WNCCG. It did not concern in-year funding but related to an historical build-up. WNCCG would continue to pursue a resolution.

Critical Care Risk Share Arrangements:

CR confirmed the issue was based upon a review of the risk share agreement between CCG's, which was adjusted to exclude Cambridgeshire. The 2016/17 figures were re-based to only show Norfolk and an agreement (£200k) was signed on 4<sup>th</sup> March 2017. The same methodology was applied to 2017/18.

In summary:

- £1.5m was in dispute, based upon available information.
- Not all of the 2016/17 risk would be recovered.
- Mitigation would be achieved through Best Value in 2017/18

The Committee noted that Winterbourne costs were £600k, as discussed at the previous meeting on 26<sup>th</sup> April 2017. CR confirmed that insufficient information was available to identify if it would be appropriate for WNCCG to be charged. However: CR was comfortable with WNCCG's judgement, which was in line with the view taken in previous years.

RB queried if MH (External Auditor: Ernst & Young) had seen the list of risks. CR confirmed it had been seen by the auditing team. EKM advised that detailed discussions at the commencement of the audit had included the progression of risk and NHSE presentations. All available evidence, including all transactional information, had been shared.

ACTION:

RB would raise the issue of risk with MH at the Audit Committee meeting scheduled for 24<sup>th</sup> May 2017 to ensure that the external auditor was comfortable with the accounting treatment.

RB

The Committee noted that the projected Year End position was £1.4m, which was lower than predicted. CR advised the challenge was moving the control total. CR stood by judgements made.

In March 2017 NHS England wrote to WNCCG to advise that the reported financial surplus should increase from £1.4m to £3.7m to reflect the return of the 1% Central Reserve (£2.3m).

RB queried how the 2017/18 position would be protected in terms of reducing in-year risk items that would potentially increase WNCCG's challenge. CR advised this was considered and captured during the planning process.

RB asked whether, on balance, the accounts were true and fair in the management of the 2016/17 financial position going forward to the current year. CR felt that he was satisfied with the formal process and that sensible and consistent judgements had been made in the planning of 2017/18 target achievement.

RB acknowledged that the NHS deadlines had moved but was uncomfortable with Papers being tabled at a meeting: Papers needed to be received in good time for

the information to be absorbed. RB considered that were too many CCG Committee meetings scheduled within one week. The Committee accepted this observation.

The Committee acknowledged the recent IT difficulties arising from the NHS cyber-attack on 12<sup>th</sup> May 2017.

RB confirmed that the Paper had been helpful.

EKM confirmed that WNCCG had met with the Auditors and there had been no adjustments to the position: minor presentational changes had been made but there had been no changes to the figures.

RB confirmed that the Finance & Performance Committee was obliged to seek assurances on the information tabled and the Audit Committee would be obliged to check and challenge it.

IM said that accounts properly reflect the financial position with fair and accurate mitigations.

#### **17.59 Best Value Schemes Review (including Planned Care):**

CH confirmed:

- The overall QIPP target would be re-set:
  - The previous target of £10.4m with intended stretch would be re-set to a target of £12.6m with stretch.
  - £12.6m was considered a prudent revision and the CCG would identify potential opportunities to achieve more.

CR confirmed that WNCCG was in the process of bidding for NHSE consultancy support which would be free to the CCG (QIPP/Best Value), to provide assurances around Prescribing and, Pathway Redesign. CR would update the Committee in due course.

Page 22 (2016/17 Learning): The Committee noted that this section had been helpful.

Page 19 (2017/18 Best Value – Current Position): EKM confirmed that in 2015/16 there had been 90 schemes. In 2017/18 the schemes would be grouped within broader areas with work-streams within each programme and scopes of work would be attributed to individuals with areas of responsibility.

The Committee noted that, when identifying deep dive reviews, it would choose specific projects rather than a programme group.

#### ACTION:

The Committee identified the following deep-dive reviews:

- Prescribing Quality Scheme - Policy: 26<sup>th</sup> June 2017 meeting
- Frailty – Admissions avoidance: 26<sup>th</sup> July 2017 meeting.

**CH  
CH**

#### ACTION:

CR to propose a schedule of deep-dives for the remainder of the year.

**CR**

EKM left the meeting at 11.55am.

**CONTRACTUAL PERFORMANCE including CSU****ACTION****17.60 a) Contract Update – Current issues and 2017/18 – 2018/19 Negotiations (including QEH):**

The Committee noted that:

- CH and CR were in negotiations regarding payments for patients that spend little time at QEHL but fall into different categories.
- Local tariffs applied to specific sets of activity had been agreed, which would affect a benefit in terms of admissions. There had previously been an increase in short stay admissions.
- Financial negotiations were ongoing for 2018/19 and, the basis on which payments would be made. A positive outcome would assist in the achievement of QIPP.

IM left the meeting at 12noon.

The Committee noted that some contracts had yet to be signed, subject to ongoing discussions with:

- General Practice; NSDC and some West Norfolk Health.
- Anglia Community Eye Service (ASES): Negotiations were ongoing in respect of the overall position.

ACTION:

CH would present a summary report at the 26<sup>th</sup> June 2017 meeting.

**CH**

CH confirmed that there were no consequences, at this stage, in terms of not signing contracts: it was standard process for the terms of the previous contract to be observed in the event of unsigned contracts.

**b) \*\* This item is FOI Exempt\*\***

**17.61 Transformational Spending Update**

CR confirmed that there was no update due to purdah.

The status had not progressed and no decisions had been made.

The Committee agreed that this item would be deferred until the 26<sup>th</sup> June 2017 meeting (i.e. after the General Election on 8<sup>th</sup> June 2017).

**COMMITTEE GOVERNANCE****ACTION****17.62 Annual Report of Committee's Performance against Terms of Reference**

The Committee agreed that the Paper was helpful and, would provide assurance for the in-coming Accountable Officer.

CR confirmed that a draft had been submitted to the Committee in February 2017: the current version was a revision of that Paper.

The Committee noted that in the eventuality of a business case being deemed sub-standard by this Committee, it would not be approved for submission to the Governing Body.

CH advised that, as a consequence of WNCCG's meeting schedule and to avoid undue delays, business cases would be publically available via the website (as a

Governing Body meeting agenda item), before being scrutinised by the F&P Committee. MP advised that in such instances, Governing Body decisions would be subject to discussion by the F&P Committee.

The Committee discussed and noted the report and recommended it for presentation at the Governing Body meeting on 25<sup>th</sup> May 2017.

**17.63 Any Other Business and Reflection on the Meeting**

HDL reflected that it had been a very valuable meeting and useful progress had been made.

The Committee acknowledged the need to reflect upon the scheduling and burden of WNCCG's Committee meetings, which was a particular challenge in terms of Year End.

**17.64 The next meeting of the Finance and Performance Committee will take place on Monday, 26<sup>th</sup> June 2017 at 10am.**

**There being no further business the meeting closed at circa 12.15pm.**