NHS
West Norfolk
Clinical Commissioning Group

Agenda Item: 18.37

MINUTES OF THE FINANCE & PERFORMANCE MEETING HELD ON FRIDAY 22ND MARCH AT 2.30PM AT MEETING ROOM, KING'S COURT, CHAPEL STREET, KING'S LYNN

Members:	Rob Bennett	(RB)	Lay Member (Finance) (Chair)
	John Webster	(JW)	Accountable Officer (item 18.31 onwards)
	Dr Imran Ahmed	(IA)	GP Member
	Mark Wheeler	(MW)	Interim CFO
	Melvyn Peveritt	(MP)	Practice Representative (Vida Healthcare)
	Rev Hilary De Lyon	(HDL)	Lay Member (Audit Chair & WNCCG Deputy Chair)
Non-voting participants:	Ross Collett	(RC)	Director of Operations (item 18.31 only)
Attendees:	Kate Wing	(KW)	Admin Support (Governance)
	David Bacon	(DB)	Interim Financial Consultant (item 18.32a only)

		ACTION
18.23	**APOLOGIES** Ross Collett (RC) - Director of Operations – part attendance Michelle Barry (MB) – Lay Member Emma Kriehn-Morris (EKM) - Deputy Chief Finance Officer	
18.24	**REGISTER OF INTEREST** The Chair reminded committee members of their obligation to declare any interest they may have on any issues arising at committee meetings which might conflict with the business of West Norfolk Clinical Commissioning Group. The register of interests for members of the Committee was made available as a paper and **NOTED** by the committee. **Declarations of interest from today's meeting** No additional declarations were required beyond those on the register.	
18.25	**CONFIRMATION OF ANY PART OF THE AGENDA THAT IS EXEMPT UNDER THE FREEDOM OF INFORMATION ACT** Item 18.30 – PART FOI EXEMPT	
18.26	**MINUTES OF THE PREVIOUS MEETING HELD ON 22nd FEBRUARY** *Item 18.19 & 18.20 – 'John' to be amended to 'Jon'* *Michelle Barry to be added under Apologies* *Item 18.13 – remove 'QEH contract negotiations and progress' and add 'None'* Subject to the above amendments the minutes were **AGREED**.	
18.27	**ACTION LOG / MATTERS ARISING**	

	20/17 – MW confirmed Grant Thornton will be conducting an independent external audit in April. Internal audit carried out by IA will be going to Governing Body meeting on 29th March. **AGREED TO CLOSE** as things have moved on since original action dated 22.02.17 but open new action relating to audit by Grant Thornton due to take place in April. **110/17** – **AGREED TO CLOSE** as part of the Agenda each month **117/17** – **AGREED TO CLOSE** as covered under action 121/17 **119/17** – **AGREED TO CLOSE** as part of the Agenda each month **121/17** – **BMI** – **Sandringham hospital –** ongoing discussions, however twelve month contract with BMI is likely to be agreed in the next couple of weeks. **ACES** – agreement with ACES that contract will be with Cambridgeshire & Peterborough CCG with WNCCG being an associate from 01.04.18 **NSDC** – MP confirmed NSDC does not exist anymore. **AGREED TO CLOSE** and re-open action for BMI & Surgical Contracts (Southgates, Vida Healthcare & St James Medical practice) for further update next month. **131/17** – on the Agenda each month. **AGREED TO CLOSE** **134/17** – no further action required at this time. **AGREED TO CLOSE** **01/18** – JW & SMT to review IAPT risk. Discussed under Agenda item 18.29 **02/18** – minutes received by RB. **AGREED TO CLOSE** **03/18** – Cancer Delivery Board meeting took place 21.03.18. **AGREED TO CLOSE**	
18.28	**FOI ACTION LOG** **FOI 77/17 –** on other action log. **AGREED TO CLOSE** **FOI 80/17 –** no further action required. **AGREED TO CLOSE**	
	RISK REGISTER (GBAF and CRR Review)	**ACTION**
18.29	GBAF – no changes in risk ratings; all updated in March. In relation to 4.3, IA asked if there is now a risk of under-performance following the winter pressures and unplanned care. MW confirmed that planned care has deteriorated over the last 3 months with a waiting list now beginning to build. RTT performance has gradually deteriorated over the last few months. Concern was raised that there will be a financial risk as the hospital tries to catch up. MW confirmed the Trust have agreed a contract value for RTT, however there could be a risk as the waiting list grows, but are also reliant on the Trust to keep the CCG up to date	

	IA raised a concern in relation to a block contract with QEH from Q3, where historically Q4 has always been bad and that QEH would receive a lot more money in this quarter than work undertaken. MW explained that seasonality would be taken into account when setting the block value. MW also confirmed the block contract will build in QIPP assumptions. **Action: MW to speak to SMT to ascertain whether RTT is on the risk register** <u>Corporate Risk Register</u> <u>1.13 – Risk that there could be a breach in the IAPT access and recovery target</u> RC confirmed we are meeting the trajectory that has been set, but not the recovery and access targets. There have been a number of issues in the IAPT and Wellbeing service; NHSE have looked at the plans and have had an intensive support team in and are trying to implement the recommendations. RC confirmed this is being closely monitored. **AGREED** not to remove IAPT from risk register until the recovery and access targets have been reached <u>1.12 – Risk that there could be a breach in Dementia diagnosis rates target</u> Current performance has dipped to 60.1% from 66.7%. GP lead had been identified, however did not start. This has now been addressed and there is a Governing Body GP in place who will start practice visits this month. Expectation is with this action in place, performance is should start to improve.	**MW**
	STRATEGIC FINANCE	**ACTION**
	Not scheduled for March18	
	FINANCIAL MANAGEMENT	**ACTION**
18.30	**Integrated Finance & Performance Report – Month 11** MW presented the month 11 Finance report. The CCG reports a forecast deficit of £10.9m adverse variance to plan at month 11. This represents an increase of £0.5m on the forecast previously reported, due largely to increased costs in NCSO drugs and community beds. MW gave assurance that the forecast figure for QIPP of £9m against the plan of £12.2m would be met.	
18.31	**Performance Targets – A&E, RTT & 62 day cancer waits** <u>A&E</u> Performance continues to remain a challenge which is symptom of flow in the hospital and issues in the community where there are alternatives to A&E. The Trust is seeing dips in performance; some days to below 70% which is linked to issues around flow.	

	Impact on some of the performance is around the adoption of the new regional standard operating procedure to offload from ambulances in 15 minutes. The QE have had to do further work in terms of how they manage and receive patients at the front door in order to release the crews. RC added that the hospital have coped well with the new SOP compared to other hospitals by creating a number of agreed cohort areas. The CCG continue to provide daily support to the Trust with the routine silver call in the morning looking at discharges and what support is required. A platinum call takes place daily at midday where a Director or the Chief Executive will be on the call where issues around patients are discussed and escalated as appropriate to help to support flow. There has been lots of additional bed capacity and invested heavily in the community resource. The use of £1.5m winter monies from NHSE, some of which has gone direct to partners and some to the CCG to buy beds and additional mental health support. The NHSE Regional Director has also visited the hospital twice; recommendations from the 2 visits has prompted the CCG to look at a full 'Discharge to Assess' model. NHSE require this model to be in place by the 1st June. Essentially the idea around the model is that assessments will take place outside the hospital. A workshop to include practitioners and community partners will take place this week where it will be discussed how this will be implemented. RC confirmed that winter monies have to be spent by the end of the financial year and some winter pressures are beginning to ease; with not so many cases of Flu and the number of medically fit increasing has helped flow in the hospital. However, a further outbreak of C.Diff has caused problems; likely to be due to flow and not being able to 'deep clean' wards. RC confirmed the QEH have managed to maintain performance where others have not. <u>Referral to Treatment Time (RTT)</u> RTT targets are not hitting 92%. Slight improvement but the Trust still remain subject to a remedial action plan. RC confirmed due to winter pressures the Trust were told by NHSE to stop elective programmes in Dec & Jan and concentrate on non-elective activity. Some elective activity has been maintained, but staff in certain areas where there had been planned elective activity have been used to support non-elective activity. A recovery action plan had been received by the Trust, however it did not provide assurance that there was a control at speciality level; the CCG have been working with the Trust over the last 3-4 weeks to improve the recovery plan. The new plan does provide further assurance and it has been agreed this will be monitored at monthly contract meetings to ensure they remain on track with the actions being taken. The Trusts plan is to get recovery back at headline level to 92% by Sept 18 with the CCG pushing for this at speciality level. RC referred to the NHSE Planning Guidance and from a planning perspective the Trust do not have to meet 92% in 2018/19 however waiting lists are not allowed to grow beyond the level they are at end of March 18. This may mean the Trust will maintain poor performance through 2018/19 however the CCG will be working with the Trust to ensure they continue to work through their waiting lists. In answer to a question raised by MP regarding patients being seen in turn; if a patient had failed the18 week wait criteria, could they be bypassed by those patients who are still within 18 weeks. RC confirmed that the CCG are aware of the possibility that patients may not be seen in turn, however stated this is highly unlikely and something	

	the Trust management and CCG would not allow, that a referral tracking process is in place and waiting times are looked into at contracts meetings. 62 day cancer target Continues to be a concern with a dip in performance in January. The Trust are subject to contract performance notice with last one being issued on 13th February. The Trust have been asked for a detailed recovery plan with detail behind the trajectories. There are possible issues linked to patient choice and making it clear to people they must attend appointments.	
	Contractual Performance including CSU	**ACTION**
18.32a	**Financial Planning – 2018/19 – Financial Plan/cover sheet** DB presented the 2018/19 Financial Plans paper to the Committee drawing attention to key areas. Final budget to be submitted to NHSE at the end of April. 2018/19 Allocations – page 6 The CCGs allocations have increased from 269.5m in 2017/18 to £277.2m in 2018/19 an increase of £7.7m (2.85%). This increase is higher than previously planned as a result of the CCG receiving an additional £2m as its share of the additional funding made available to the NHS in the Autumn budget. The CCG has also assumed an allocation of £607k re the GPFV £3.34/head funding for improvements in GP services. This has been matched with expenditure in the plan. 2018/19 Increase in Purchasing Power – page 7 In addition to the increased allocation NHSE have made two changes to the assumptions previously used in Financial Planning • A change in Financial Control Total with the CCGs requirement reducing from a surplus Control total of £0.6m to a deficit control total of £2m, impact of £2.6m • A relaxation of the business rules that required CCGs not commit 0.5% of its allocation and hold is as a non-recurrent reserve, £1.4m impact. Overall the impact of these changes is an increase in Purchasing Power for the CCG when compared with previous planning assumptions of £6m. 2018/19 Core Uplift Assumptions – pages 9&10 Acute Services - £13.2m growth in Acute services; a large part of this is the National Activity Requirement of £8.366k Continuing Healthcare – a further 1.45% has been included so that the overall CCG pricing uplift is consistent with the Norwich County Council pricing uplift. An additional £640k has been added into this budget to mitigate against an identified risk re the impact of CHC cases appeals process changes.	

Running Costs – a review of areas of expenditure attributed to running costs has been undertaken and circa £687k (including £376k non recurrent costs of support to financial recovery) has been moved in to Programme Headings.

2018/19 Investments – page 13

The investments included in the plan are a combination of known commitments and funding set aside pending a CCG investment decision later in the year.

The known commitments are the Acute £12k, Mental Health Services £288k, Prescribing 12k, Primary Care Services £607k (matched to the assumed allocation)

Also included is the creation of a 0.5% Contingency Reserve required to ensure the CCG is compliant with the NHSE Business Rules and a 1% Pay Reserve for Core Programme Staff set aside pending confirmation of the Pay Award.

DB confirmed that the budget makes provision for the levels of pay award that CCG knew about when the budget was prepared and the expectation is that the excess, through recent press announcements, will be covered by additional funding from the Treasury.

2018/19 Non-Recurrent Expenditure – page 14

Continuing Care Services - £500k – potential costs relating to old CHC eligibility matters

Primary Care Services - £126k – balance of the GPFV £3/Head over 2 years investment in Practice Transformational Support

Better Care Fund - £961k – S75 protection of Social Care agreement year 3 of 3 liability

Other Programme Services
£630k – financial resilience payments
£418k – short term financial recovery programme costs

JW stated that the quality of the planning for this coming year is far better than it was a year ago and much more solid around the plans being made. He also added that plans are in place to replace the Turnaround Director with a position that will focus more around implementation and delivery.

DB confirmed the Commissioners Sustainability Fund will effectively provide resource to clear the deficit Control total of £2m, if hit, so the deficit at the end 2018/19 will be no worse than the deficit at 2017/18.

RB referred to Page 9 – Efficiency column – Acute Services figure of £7.2m
MW confirmed this figure is built in to the contract and explained an overall QIPP & APA's, figure of £9.5m has been included in the QEH contract. However the detail would have to be worked through, and adjustments made to the overall contract value where appropriate as negotiations progress towards a block contract with the Trust.

RB asked for assurance that the budget reflects our commissioning intentions and the way in which we are commissioning services, that the figures reflect the change in delivery. In response, MW confirmed they have tried to build in everything in terms of

	development for 2018/19, but is an ongoing process and as business cases are brought forward these will be set against reserves. In relation to errors made in previous budgets, RB asked for assurance that there has been some sort of reasonableness check carried out on the budget. MW confirmed there has been several people involved in the planning and challenges made where appropriate. The Committee **APPROVED** the 2018/19 Financial Plans paper as an Interim Budget to take forward to Governing Body.	
18.32b	**Financial Recovery – 2017/19 Financial Recovery Plan** MW confirmed the figures are almost the same as last month but with reference made to the block contract with QEH and delivery implementation.	
18.32c	**STP Update** None	
	COMMITTEE GOVERNANCE	**ACTION**
18.33	Reflection on the meeting Very good meeting, time well spent with Interim Budget approved to go to Governing Body next week. JW stated the Deloitte report recommended that someone with financial expertise should be on the Governing Body and RB has decided to stand down from Governing Body at the end of May. JW in discussion with Paul Williams in regards to RBs replacement. RB to also stand down from Audit and Finance and Performance committee at the end of May.	
	Meeting closed at 4.45 pm **The next meeting of the Finance and Performance Committee will take place on Thursday 19th April – 10 am – meeting room 2, Kings Court**	