

WOLVERHAMPTON CLINICAL COMMISSIONING GROUP

Finance and Performance Committee

**Minutes of the meeting held on 27th February 2018
Science Park, Wolverhampton**

Present:

Mr L Trigg	Independent Committee Member (Chair)
Mr T Gallagher	Chief Finance Officer
Mr M Hastings	Director of Operations
Mr S Marshall	Director of Strategy and Transformation
Dr M Asghar	Governing Body GP, Deputy Finance and Performance Lead (part meeting)

In regular attendance:

Mrs L Sawrey	Deputy Chief Finance Officer
Mr V Middlemiss	Head of Contracting and Procurement
Mr P McKenzie	Corporate Operations Manager

In attendance

Mrs H Pidoux	Administrative Team Manager
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1. Apologies

Apologies were submitted by Dr Bush and Mr Hartland.

2. Declarations of Interest

FP.236 There were no declarations of interest.

3. Minutes of the last meetings held on 30th January 2018

FP.237 The minutes of the last meeting were agreed as a correct record.

4. Resolution Log

FP.238 Item 117 (FP.220) RAS - Mr Middlemiss reported that since this issue had been raised a CCG/Trust workshop had been held and discussions had taken place regarding electronic referrals and two way communication between primary and secondary care. This is challenging within mental health and there is a move towards paperless communication including a generic email address for referrals. This will form part of the Data Quality Improvement Plan rather than as part of the RAS at this stage - action closed.

Item 118 (FP.118) - Never Event - Mr Hastings gave an update on this incident that had been treated as a Never Event. The CCG's Patient Quality Manger had reported that this event had taken place in December when a surgeon had injected the wrong foot before a surgical procedure. This was soon identified and subsequently the correct foot was injected and the planned surgery continued. The surgery was uneventful and the patient made a full recovery post-surgery. A conversation had been held with Nuffield's Director about this incident and initially it was reported as human error, however a full Root Cause Analysis is being undertaken and this is expected to be submitted to the CCG before 12th March. No harm came to the patient and duty of candour was applied by the Trust on the same day. Following the incident, the CCG had carried out a quality visit to Nuffield, this went well and there were no immediate or serious concerns related to their surgical safety procedures and processes – action closed

Item 119 (FP.119) - Risk Report - Matrix to be circulated - this had been done following the last meeting - action closed

5. Matters Arising from the minutes of the meeting held on 30th January 2018

FP.239 There were no matters arising to discuss from the last meeting.

6. Finance Report

FP. 240 Mrs Sawrey introduced the report relating to month 10, January 2018

The following key points were highlighted and discussed;

- In Month 10 breakeven has been assumed
- Financial metrics are being met and the CCG is on target to meet duties.
- Reporting achieving QIPP target, however, shortfall is being supported by reserves and other underspends.
- The recurrent overspend had increased to £1.173m forecast outturn (FOT) which is currently offset by non-recurrent underspends and the use of reserves. This has very serious implications for 2018/19 onwards.
- There is a considerable level of flexibility within Delegated Primary Care, of approximately £1m.
- CCG continues to bring forward plans and commit recurrent spend although the impact will now be minimal. Any unused budget can be used non-recurrently to support the financial position, if required, as the budget is ring fenced on a recurrent basis.

- RWT is giving concern as the Month 9 activity is indicating a potential FOT of approximately £1.6m as a result of lower than expected activity in December (even after phased plan). The CCG is maintaining a higher FOT in anticipation of activity levels recovering in the last quarter of 17/18.
- Mental Health Complex cases are continuing to over perform. Assurances have been given by the Mental Health Commissioner that the spend will reduce and fall back in line with budget as cases are reviewed and costs reduced. This is now unlikely to occur thus increasing the pressure on budgets. There is a risk in financial planning of around £1m.

It was noted that this month's reporting was the last time the FOT can be changed.

Resolved: The Committee noted the contents of the report and the areas of concern

7. Performance Report

FP.241 Mr Hastings highlighted the key points of the Executive Summary relating to Month 9 performance. The following was considered;

- RTT - had missed trajectory again. This is due mainly to the areas previously reported; ENT, General Surgery, Ophthalmology, Oral Surgery, Plastic Surgery, Trauma and Orthopaedics and Urology. This indicator is amber rated on NHSE reports. It was noted that this is a small co-hort of patients, waiting lists are constantly being reviewed and there are no over 52 week waits.
- A&E - Performance in January was worse than December. One of the issues is inconsistency in performance. Ambulance conveyances have increased across the area. RWT remains top performing A&E in the Black Country.
- Cancer 62 day waits - a decrease in performance has been seen. This is an area of focus for NHSE and a meeting had been held between the CCG's Chief Officer and NHSE's Alison Tonge, Director of Commissioning Operations – West Midlands.

RWT had been asked to rewrite the Recovery Action Plan with the overriding message that this needs to be more clinical than operational and needs to be tightened. The lines in the Plan need to be quantified. The revision was expected shortly.

Since the last report the Patient Tracking List Meeting had been revamped and is now chaired by Gwen Nuttall, RWT's Chief Operations Officer. The meeting is more proactive and it

is mandatory that administrative and diagnostic teams are in attendance. This had commenced on 25th February and Mr Hastings is due to review.

- DTOC - continues on target with a downward trajectory.
- E-referrals ASI rates - performance is at 16.65% which is the lowest for 18 months. It was noted that this is a long way from the target of 4%, however, actions being undertaken are impacting and more are planned including putting more capacity into clinics. The Trust continues to report paper switch off is on target for October.

Resolved: The Committee noted the contents of the report.

8. Contract and Procurement Report

FP.242 Mr Middlemiss presented the key points of the report as follows;

Royal Wolverhampton NHS Trust

Diagnostics, 62 day cancer wait - RWT had submitted a further bid to NHS Improvement (NHSI) for £70k to fund additional capacity for Cancer Diagnostics. The CCG had requested further details including how planning to spend the money. An invoice had been received, however, it was noted that this money had been received in the draft allocation and not the final one. It was agreed that this position would be checked.

Dr Asghar joined the meeting

Performance Sanctions - Sanctions for Month 8 had been agreed at just under £38k. There had been a notable increase in Ambulance handover breaches compared to the previous month.

Sepsis Counting and Coding Change - supplementary guidance had been issued by NHSI the Providers regulator. This is explicit and the CSU are to run this to establish the implications of the value of following this model. It was confirmed that this is a non-recurrent adjustment for 17/18.

2018/19 Contract Review Process - following the meeting held on 26th February it was reported that the CCG is close to agreement with RWT. The main area of risk is the Staffordshire CCG part of the contract. The CCG is currently awaiting confirmation from Staffordshire of their position. As host commissioner Wolverhampton CCG has a duty to notify NHSE of the position. There should be no further impact on Wolverhampton CCG, however, it is trying to facilitate agreement but there is a material difference.

The variation to the contract is due to be signed by 23rd March. RWT, however, may not signed if have not reached agreement with Staffordshire. It

was felt that, although Staffordshire have a substantial amount of the contract, RWT need to draw a distinction between the two.

Black Country Partnership Foundation Trust

Meetings are on-going to agree contracts for 2018/19. No concerns were raised.

Nuffield

A re-based plan is being worked on and meetings are ongoing to agree contracts for 2018/19.

Urgent Care Centre

A further recovery plan is in place and unannounced visits are being undertaken. This remains high on the CCG's Risk Register. The Improvement Board continues to meet.

WMAS – Non-Emergency Patient Transport (NEPT)

Following concerns raised by WMAS, in relation to KPIs and reporting requirements, a proposal had been received containing potential changes. This appears to be more amenable to all parties. A meeting had been held and it appears that this is likely to be supported by Dudley and Wolverhampton CCG's with some caveats. It was noted that agreement would reduce the risk of the contract ending early.

Resolved – The Committee

- noted the contents of the report
- actions being taken
- allocation of additional money to fund additional capacity for Cancer Diagnostics.

9. Finance Plan and Budget for 2018/19

FP.243 Mr Gallagher gave an overview of the latest plans for 2018/19 and the risks contained in the final position. The key elements considered were;

- In February NHSE had issued revised planning guidance for 2018/19
- In order to submit a balanced, assured plan for 2018/19 the CCG had included a QIPP programme of £14m 3.5% of its allocation. This is an extremely stretching target, however, unidentified QIPP has been closed to a gap of just over £2m.
- The total allocation for Programme costs is £360,601m. This includes the adjustments to the notified budget which have been made. The Running costs allocation is £5,515m, this cannot be exceeded.

- Planning guidance also sets out additional specific activity growth percentages which the CCG had modelled and funded from the additional growth allocations of £2,978m
 - Non elective and Ambulance growth to be 2.3% above FOT at Month 6 after QIPP
 - Growth in A&E to be 1.1% above FOT at Month 6 after QIPP
 - Elective growth to be 3.6% above FOT at Month 6 after QIPP
 - Outpatient growth to be 4.9% above Month 6 FOT after QIPP
 - GP referrals to be 0.8% growth above Month 6 FOT after QIPP

The above assumptions will consume approximately £1.8m of the additional growth monies. The implications have been modelled and form the basis of all contract offers to providers.

For planning purposes the Long Term Financial Model (LTFM) has incorporated the 2017/19 National Tariff published in December 2016 which includes the efficiency and inflation assumptions as follows;

- Tariff inflation 2.1%
- Tariff efficiency 2%
- HRG4+ incorporated into tariff
- Marginal Rate Emergency Tariff remains unchanged at 70%/30%
- Current Market Forces Factor, MFF remains in place
- STP growth assumptions to be used

Medium Term Financial Planning 2017/18 to 2020/21, the CCG is reporting it will meet the in year control total targets,

There is a positive drawdown in 2018/19 and the model includes only drawing down that approved.

Mr Trigg queried that beyond 2018/19 QIPP savings are not identified. Mrs Sawrey confirmed that as allocations for 2019/20 and 2020/21 are not confirmed assumptions have to be made as to what the QIPP target will be.

It was noted that in 2018/19 the target for identified QIPP is £14m. Through the assurance process with NHSE positive progress has been noted. Following challenge the unidentified gap in QIPP has been closed.

The high level of QIPP associated to prescribing was queried. Clarification was given that the prescribing leads had met to agree a consistent approach across the Black Country. Although it was acknowledged that the figures were challenging the schemes and areas identified meant that the targets were not unrealistic.

A key risk is over performance in the acute contract. The contingency reserve can be used to manage some pressures, however it is difficult to mitigate against this.

Risks and mitigations;

- The CCG is green on all metrics.
- The CCG has identified risks included within the 2018/19 budgets which total £3.5m. The key risks are as follows;
- £2.0m related to potential level of overspend in the Acute Sector. This is an estimate as the main Acute contract with RWT had not been finalised although it is close to agreement. £2m associated with over performance within the Acute contracts.
- £500k associated with Prescribing and the volatility within this budget particularly around NCSO.
- £1.0m in relation to the uncertainty around FTA's (Financial Transfer agreements) and the future of TCP for LD services.
- The CCG has identified mitigations for risks as detailed below.
- £2.0m - as in 2017/18 the CCG will utilise all off the Contingency reserve to offset overspends if they arise.
- £1.5m of the 1% reserve £200k - utilisation of SOP flexibilities.
- As a consequence of the risks and mitigations the CCG starts 2018/19 with nil net risk (noted this is draft at the stage).

Mr Gallagher asked the Committee to support the paper, with the caveats that minor amendments are required to the QIPP information and a more formal update on contract negotiations, with a view to recommending to the Governing Body to sign off the budgets.

Resolve - The Committee,

- Noted the contents of the report
- Noted the level of financial risk associated with the proposed 2018/19 budgets
- Recommends to the Governing Body that it signs off the budget, noting the inherent risk and supporting the CCG's Executive Team to pursue avenues to close the QIPP gap and therefore reduce financial risk.

10. Risk Report

FP.244 Mr McKenzie presented the latest risks relevant to corporate organisational and Committee level risks relevant to this meeting.

Changes to Corporate Risks

CR18 - this had been split into financial risks present in year and long term financial risks. It was discussed that this was high as it was rated before planning guidance had been received and should now be reviewed.

Committee level risks;

FP01 - Tier 4 Obesity Services - the level of risk had reduced as the impact on the overall financial position had been covered and is not expected to worsen.

Mr Gallagher suggested that a risk should be added relating to TCP in terms of ongoing plans. The level and scoring was considered. It was felt that the financial risk was high and should be added to the Committee risk register. It was discussed that there was risk around linking TCP to performance and quality as well. It was agreed to liaise with Sally Roberts, Chief Nurse, Director of Quality whether a Corporate Risk should also be registered to enable discussion at Governing Body.

It was also agreed, due to the additional NHSE scrutiny, to add Cancer 62 day waits to the Committee Level Risk Register.

Resolved: The Committee;

- Noted the changes to the Corporate and Committee Level Risk Registers
- Requested that a risk related to TCP on going plans to be added to Committee Level Risk Register
- Adding Corporate Risk relating to TCP performance and quality to be raised with Chief Nurse, Director of Quality
- 62 Cancer 62 Day waits to be added to Committee Level Risk Register.

10. Any other Business

FP.245 There were no items to discuss under any other business.

11. Date and time of next meeting

FP.246 Tuesday 27th March 2018 at 3.15pm

Signed:

Dated: