

WOLVERHAMPTON CLINICAL COMMISSIONING GROUP

Finance and Performance Committee

Minutes of the meeting held on 26th January 2016
Science Park, Wolverhampton

Present:

Mr J Oatridge	Independent Committee Member (Chair)
Mrs C Skidmore	Chief Finance and Operating Officer
Mr S Marshall	Director of Strategy and Transformation
Mr M Hastings	Associate Director of Operations
Dr D Bush	Governing Body Finance and Performance Lead

In regular attendance:

Mrs L Sawrey	Deputy Chief Finance Officer (part meeting)
Mr G Bahia	Business and Operations Manager
Mr V Middlemiss	Head of Contracting and Procurement
Mr J Ferguson	Interim Head of Contracting and Procurement
Mr P McKenzie	Corporate Operations Manager
Mrs H Pidoux	Administrative Officer

1. Apologies

Apologies were received from Mr Mincher.

Mr Oatridge introduced Dr Bush and explained that as from the February meeting he would be taking over as Chair of this Committee. The Governing Body has agreed that, following Dr Handa's resignation, Dr Bush would take over the role as Governing Body Finance and Performance Lead.

2. Declarations of Interest

FP.16.01 There were no declarations of interest.

3. Minutes of the last meeting held on 24th November 2016

FP.16.02 The minutes of the last meeting were agreed as a correct record.

4. Resolution Log

FP.16.02 Item 81 (FP.15.116) – External Placements Panel (Children) – on agenda – item closed.

4. Matters Arising from the minutes of the meeting held on 24th November 2016

FP.16.03 There were no matters arising from the minutes of this meeting.

5. Finance Report

FP.16.04 Mrs Skidmore introduced the Month 9 report, the close of Quarter 3. She explained that based on these figures a first draft set of full accounts has been produced as a test run for year end. It was noted that this will be reported to the CCG's Audit and Governance Committee in February.

Mrs Skidmore highlighted that there is nothing fundamentally different being reported in Month 9 and the CCG is expecting to meet all financial requirements at end of year. However there are 3 areas of concern as follows;

1. RWT Overperformance – a prudent view has been taken in setting the Forecast Outturn assumptions for 2015/16, however, the activity levels are not as high as expected and the assumption is being scaled back.
2. Better Care Fund (BCF) – this is an improved position in month 9, however, figures recently received from the Local Authority (LA) suggest that the position may have worsened significantly. The LA has been asked to review the figures and the forecasting methodology in preparation for month 10 reporting. Broader strategic discussions are also taking place regarding the BCF Pooled Budget.

Mrs Sawrey joined the meeting.

3. Slippage in QIPP Programme – discussed in more detail in agenda item 7, QIPP Report.

Mrs Skidmore clarified that whilst it expected that all targets will be met further work is required to ensure all non-recurring spend occurs as planned before year end. The Committee was made aware that Mrs Skidmore is involved with discussions with NHS England Area Team (NHSE AT) regarding options to manage surplus monies.

Mrs Sawrey raised with the Committee that the contents and requirement of this report were reviewed 12 months ago and asked whether the Committee would like any amendments. It was agreed that the report should be reviewed following the sign off of the final accounts. It was noted that Practice Level reporting will need to be considered as part of the review.

Resolved: The Committee;
• Noted the contents of the report.

6. QIPP Report

FP. 16.05 Mrs Sawrey presented the QIPP report. The annual QIPP plan is £11.8m. The QIPP Forecast Outturn has decreased slightly from last month, as a result of the validation of activity levels, to £10.2m (a gap of £1.6m). It was noted that the changes involved are not material.

Mrs Sawrey explained that Transactional QIPP is doing well; mainly achieved by savings related to CHC, however, the opportunities for these savings to be made is reducing. Therefore, Transformational QIPP, (e.g. service transformation), savings need to increase and this will be a focus in 2016/17.

Resolved: The Committee;

- Noted the contents of the report and the concerns raised.

7. Monthly Contract/Performance Report

FP.16.06 Contract and Procurement

Mr Ferguson reported the contractual process is being followed with providers where performance is declining.

It was highlighted that the RWT year to date sanctions has led to fines of £837,770.00

Resolved: The Committee noted the contents of the report.

FP.16.07 Performance

Mr Bahia reported that at Month 9, of the indicators, 59 are green and 39 are red. There are in total 122 indicators, 24 of which are for information only. The following key points from the report were highlighted;

- RTT (Referral to Treatment 18 Weeks) – Performance continues to meet headline targets. Three specialities are underachieving; Urology, General Surgery and T&O. Recovery trajectories have been implemented for General Surgery and T&O to be achieved by March 2016. The recovery plans for Urology are dependent on recruitment which is a national problem. A Remedial Action Plan (RAP) is in place for the recruitment issues to be resolved by July and this has been supported by NHSE. It was noted that the Trust has tried to recruit to 2 posts but was unsuccessful. Clarification was given that patients cannot be referred elsewhere as waiting times are similar across the health economy.

It was noted that Mrs Skidmore and Mr Marshall have recently met with RWT directors and offered £400k to be used this year to reduce waiting lists, however, a response from RWT has not yet been received.

A discussion took place regarding the promotion and use of Choose and Book at a locality level to encourage awareness of capacity available elsewhere.

Mrs Sawrey left the meeting.

- A&E 4 hour waits – failed to meet target in November and provisional data for December performance indicates a significant decline in performance with the lowest single day performance to date reported in December. Attendances have continued to increase compared with the same period last year. A new model of care was introduced following the opening of the Urgent and Emergency Care Centre (UECC) on 25th November and there have been significant issues affecting performance including increases in volume, batches of ambulances arriving at the same time and issues with logistics and patient flow. It was noted that bed capacity and discharges have improved. A RAP has been issued and recovery trajectory is on target.

Mrs Sawrey re-joined the meeting

- Cancer waits (62 Day Wait indicators) – there are several issues including Urology and Tertiary referrals. A Contract Performance Notice has been issued and a RAP approved with a trajectory date of June 2016. It was noted that the target was met in December, however, this may be because of patients choosing to delay procedures until the new year). Wider services/parties have been included in the RAP which is a good start to an approach to include whole health economy management.
- DTOC (Delayed Transfer of Care) – An improvement has been seen with the indicator meeting target in November (excluding Social Care delays). It was noted that there is an increase in Step Down which has a cost for the CCG and this is being challenged.

A query was raised regarding the high rates of Clostridium difficile cases. Clarification was given that there are 2 types of cases; unavoidable (where a patient has CDiff on admittance) and avoidable (where it is contracted in hospital). Reporting is 3 months behind due to

investigation into each individual case with which the Quality and Safety Team are involved and these are traced through the Clinical Quality Review Group.

Resolved: The Committee;

- Noted the contents of the report.

8. External Placements Panel (Children) update

FP.16.08 Mr Marshall reminded the Committee that a report was presented and discussed at the November meeting. There were previous concerns regarding the level of assurance given and the aim of this report was to give an update on the planned financial outturn and provide assurance of the matters in hand to provide appropriate financial and clinical governance.

Mr Marshal reported that the CCG has a legacy situation with regard to the funding arrangements for externally placed young people whereby there is a recharge of 40% of the total cost of the package. The spend is variable due to movement of or new patients.

A new process has been agreed in principle and is being finalised with the Local Authority. This will provide a greater transparency of the governance of financial commitments and clinical oversight to the CCG. Prior to each placement a full health (physical and psychological) needs assessment of each Child or Young Person (CYP) will be undertaken, an appropriate provider will then be identified and the placement monitored regularly. This process is due to be finalised in January, with a view to a full implementation by 1st April 2015. This process will be reviewed six months from implementation.

It was highlighted that there are discussions taking place regarding some of the charged elements which the CCG is challenging.

Mr Oatridge commented that whilst the previous report to the Committee gave clinical and quality assurance this report was relating to finance and did not go as far as providing financial assurance'.

Resolved: The Committee;

- Noted the contents of the report
- Took assurance that the process to be implemented shortly will give assurance regarding the governance around procurement transparency of the packages and will give a clearer financial understanding.

9. Finance and Activity Plans for 2016/17

FP.16.09 This report was brought to the Committee to provide an overview of the key requirements of the 2016/17 planning round and an outline of the timetable.

Mrs Skidmore stated that this was discussed in high level detail with the Governing Body prior to this meeting.

Mrs Sawrey highlighted that there are 3 submissions of the 2016/17 Operation Plan as follows;

- First full draft submission 8th February
- Second full draft submission 2nd March
- Final submission aligned with contracts 11th April

In addition to the national timetable further submissions are required by NHSE.

The CCG is also required to produce a Sustainability and Transformation Plan, STP, which is a 5 year plan covering from October 2016 to March 2021. This is an economy wide plan and is due to be submitted in June.

A concern was raised by Mrs Skidmore that the National Tariff is only out as draft and will not be finalised and available until very close to the end of the current financial year. It was clarified that activity levels can be agreed with the Trust without knowing costs; however, this poses a risk to the CCG with regard to managing the overall budget.

Mrs Skidmore gave the Committee a briefing on the key highlights of the allocation and business planning rules confirmed by NHSE and noted that a number of items have now been included within the baseline. It was noted that commissioners must plan for a cumulative reserve (surplus) of 1% and must plan to draw down all cumulative surpluses above the 1% over the next 3 years.

There are concerns regarding the level of the QIPP target required in 16/17 and work is on-going to review growth and cost pressure assumptions in the current Long Term Financial Model (LTFM).

It was noted that although the QIPP target for savings has not been met this year, it is the highest level of savings achieved so far by the CCG. There are also a significant amount of QIPP schemes already being worked up for 2016/17 and contract negotiations are well underway; and assurance can be taken from this.

Draft budgets and an updated plan will be shared at the February Committee meeting in readiness for the Governing Body sign off of budgets in March. It was highlighted that due to the uncertainty of the timing of/receipt of finalised tariff figures and the Governing Body meeting schedule, this will either be at the meeting due to be held on 8th March or at an additional meeting which may be required alongside the Development Session planned for 22nd March.

Resolved – The Committee;

- Noted the key requirements and outline timetable of the 2016/17 planning round.

- Agreed to highlight to the Governing Body the challenges posed by the reporting deadlines and uncertainty regarding tariff.

10. Quality Premium

FP.16.10 The Committee was given an update on the Quality Premium achievements for 2014/15 based on the provisional results received. A payment of £564,000 has been received by the CCG. It was noted that the spend must occur in the 2015/16 financial year and the following plans were discussed;

- Immigration Population Project – work with Public Health. 2 components to ensure registration and initial screening.
- Respiratory Innovation Promoting a Positive Live experience (RIPPLE) – this is a roll out programme with the Health Foundation to increase support for patients with COPD with third sector providers.
- Equipment for Primary care – practices have been asked to bid for clinical equipment and these will be reviewed.

It was highlighted to the Committee that the CCG performance was the highest in the Birmingham and Black Country area.

Resolved: The Committee noted:

- The amount received and the plans to spend this by 31st March 2016.
- The level of achievement on the Quality Premium for 2014/15 against other local CCGs.

11. Recruitment of Lay Member of the Finance and Performance Committee

FP.16.11 This report was brought by Mr McKenzie to ask the Committee to consider appointing an additional (non-Governing Body) Lay Member to support the development of the Committee by adding an additional impartial strategy viewpoint to aid challenge and discussion.

Mr Oatridge explained that due to the timing of the meetings, this role had already been considered by the Remuneration that morning and an appropriate level of remuneration for the role agreed. The cost of which will be met from the CCG's running costs. Mr Oatridge, Dr Bush and Mrs Skidmore were in attendance at that meeting.

Resolved: The Committee:

- Agreed to appoint a lay member of the Committee in line with the role description attached to the report.
- Agreed to proceed with the recruitment process outlined in the report.
- Noted the Remuneration Committee's agreement on the appropriate level of remuneration for the role.

12. Any other business

FP.16.12 there were no items raised under any other business.

13. Date and time of next meeting

FP. 16.13 Tuesday 23rd February 2016 at 3.15pm, CCG Main Meeting Room

Signed:

Dated: