

WOLVERHAMPTON CLINICAL COMMISSIONING GROUP

**Notes of the meeting of the members
of the Finance and Performance Committee
held on 30th October 2018 Science Park, Wolverhampton**

Present:

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| Mr L Trigg | Independent Committee Member (Chair) |
| Mr T Gallagher | Chief Finance Officer |
| Dr D Bush | Governing Body GP, Deputy Finance and Performance Lead |

In regular attendance:

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|-----------------|-------------------------------------|
| Mrs L Sawrey | Deputy Chief Finance Officer |
| Mr V Middlemiss | Head of Contracting and Performance |

In attendance

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|-----------------|---|
| Mr P Strickland | Governance and Risk Coordinator |
| Ms J Reynolds | Primary Care Development Manager (part meeting) |
| Mrs H Pidoux | Administrative Team Manager |

1. Apologies

Apologies were submitted by Mr Hastings and Mr Marshall

It was noted that the meeting was inquorate.

2. Declarations of Interest

FP.310 There were no declarations of interest.

3. Minutes of the last meetings held on 25th September 2018

FP.311 The minutes of the last meeting were agreed as a correct record.

4. Resolution Log

FP.312 Item 132 (FP.292) – Committee Level Risks – FP07 – CHC Budget – narrative to be reviewed to accurately reflect the risk level in respect of ‘the significant risk of overspend, however, the risk level is reported as moderate – clarified that whilst there is an overspend in CHC this can be fully mitigated against, therefore, the risk to the CCG is ‘Moderate’. Narrative to be amended to reflect this.

Item 133 (FP.304) – Failure to deliver Long Term Financial Strategy – noted that the narrative related to 2018/19 (short term plan) and queried if this was reflected in the reduction of the risk from Very High to Moderate – Mrs Sawrey to liaise with Mr Gallagher to clarify – clarification given that as the CCG is in a position to mitigate against its risks the level of risk had been reduced. Also the proposed Risk Share Agreement with RWT will reduce the financial risk for the CCG. It was highlighted that the CCG is due to be notified of its allocations for the next two years mid to late November which will inform long term plans going forward. The narrative of this risk to be amended to reflect the assurance gained following the discussions at this meeting.

Item 134 (FP.304) – Transforming Care Partnerships – this was queried in the same way as Item 133 (FP.304) – Mrs Sawrey to liaise with Mr Gallagher to clarify – update given as Item 133 (FP.304)

Item 135 (FP.305) – Mrs Sawrey to speak to Mrs Roberts regarding the approach from Liaison to review CHC/FNC payments for inappropriate payments – Mrs Sawrey confirmed that discussions had been held with Mrs Roberts and she was in agreement to move forward with the proposal. Finance to liaise with CHC to take forward – action closed.

Item 136 (FP.307) – New risk to be added to Committee Level risk register relating to GP Premises issues where IAPT services can no longer be delivered – clarified that a new risk had been added to the Risk Log relating to IAPT. The risk was not specific to GP premises issues but was a broader risk around delivery of target. Assurance was given that there was no specific risk around GP practices and a mitigation plan is in place to address this.

5. Matters Arising from the minutes of the meeting held on 25th September 2018

FP.313 There were no matters arising to discuss from the last meeting.

6. Risk Report

FP.314 The Committee considered feedback following a deep dive at SMT into Corporate Risk (CR03) around not meeting NHS Constitutional Targets. It was agreed and confirmed that:

- Based on current performance the risk score of CR03 should remain scored as a High 8.

Committee level risks;

The Committee discussed the need for a committee level risk relating to RTT. TG stated that he would discuss with Mr Hastings whether a committee level risk was required as although the Trust had not met

the Constitutional target they were performing against the recovery trajectory.

- Increased activity FP04 should remain on the risk register given the impact of potential increased activity.
- The Committee acknowledged the new risk FP15 relating to IAPT Access Rate Target (BCPFT).

The Committee;

- noted the current risk levels
- consideration to be given to adding a committee level risk relating to RTT

7. Performance Report

FP. 315 Mr Gallagher the following key points;

Royal Wolverhampton NHS Trust (RWT)

- RTT – achieving month on month improvement towards constitutional standard of 92%. The focus is on reducing the backlog and there is financial flexibility to use other providers.
- A&E – performance had fallen short of achieving the national target of 95% at 93.51%, however, performance had achieved the target of 90.20% agreed with NHSI.

A decrease in A&E attendances due in part to the CCG and Primary Care's response to demand management in Primary Care. Ambulances conveyances are increasing month on month.

The winter plan is still to be finalised. This is being overseen by the A&E Delivery Board.

- Cancer waits – there is still a considerable risk to achieving this target. It remains a high profile area which is being closely monitored by NHSE and NHS. The Trust has rebased the activity required to reduce the backlog in the refreshed recovery action plan to support the achievement of the recovery trajectory.

The Trust had confirmed, following a review of theatre utilisation that an additional dedicated robotics theatre will open in October which will improve performance for Urology and Gynae pathways.

- Delayed Transfers of Care (DTocS) – failed to meet target for all delays and excluding Social Care. This is overseen by the Better Care Fund (BCF) arrangements.
- MRSA and C Diff – there have been no MRSA breaches reported for August, however, the Year End zero threshold has already been

failed with 2 cases in year. There were 5 C Diff breaches during August (against a 3 per month threshold). Learning from these cases have been identified.

- Serious Incident Breaches (SUIs) – 6 breaches were identified for August; there were no reported Never Events in August.

Black Country Partnership NHS Foundation Trust (BCPFT)

- IAPT Access – not meeting target. The CCG is considering investing in increased provision.

The Committee;

- Noted the contents of the report and the actions being undertaken

8. Finance Report

FP.316 Mrs Sawrey introduced the report relating to Month 6, September 2018

The following key points were highlighted and discussed;

- Remain on target to achieve all financial metrics
- Forecasting breakeven
- Agreement has been made with RWT to change the payment day to 3rd day of month to help reduce payment pressures
- Planned same day electives are significantly underperforming - in order to comply with national planning guidance the CCG has commissioned additional activity which is currently not being delivered.
- Elective activity shows an underperformance which gives concern for the achievement of RTT. Winter pressures will have an impact and affect performance
- QIPP is being reported as delivering on plan and any shortfall in delivery is covered by reserves and underspend
- There were no real changes to risk and mitigations and the CCG is reporting full mitigation of known risks.

Mr Trigg raised a query regarding the increased activity at the Nuffield. Clarification was given that these are low risk procedures.

Mr Trigg questioned the current reporting of overspend in the prescribing budget. It was confirmed that this is mainly due to NCSO and a cost pressure relating to Cat M price increases. These are national issues and the CCG is seeking clarity from NHSE regarding whether these pressures are recurrent. The risk of additional NCSO costs are covered although there are no additional allocations.

Medicines Optimisation are working closely with the Finance Team regarding these issues.

The new dashboard and presentation of QIPP as recommended by Auditors was considered. This still includes delivery by Programme Board. The Committee supported the use of the new presentation. It was suggested that the a greater analysis of the risk areas should be identified within the presentation.

The Committee;

- noted the contents of the report

9. Contract and Procurement Report

FP.317 Mr Middlemiss presented the key points of the report as follows;

Royal Wolverhampton NHS Trust

- At the last Contract Review Meeting RWT shared the forecast to year end. This did not include specifics these will be shared after the next Board Meeting has been held.
- Activity is being queried in 3 areas;
 - Phlebotomy – there had been a significant stepped change in increasing numbers at the hospital and the Trust is not able to confirm the reason for this and, therefore, remains on the query log.
 - Community Service – assessing the value of the service line and how money is proportioned and applied against services
 - Children’s Nursing Teams – relating to special schools, there is over-performance in the number of follow ups and this is being reviewed. A meeting is to be held between the Trust and CCG in November.
- Dermatology – a response had been received to the CCG’s letter regarding the current acute provision of this service, with regards to the sustainability of dermatology provision in light of workforce issues. However this response had not answered the CCG’s queries relating to;
 - which elements of acute activity they would wish to retain
 - which elements to transfer into the community
 - which areas to work on collaboratively

The Trust intentions are unclear and this will be pushed back. The robustness of the community services to deal with more complex cases was queried and it was clarified that this would be considered before any reprocurement took place.

- 2019/20 Planning Round – the first meeting had taken place and had been positive with good discussions. It is now known that the

publication of 2019/20 operational planning guidance is expected in early December, following the release of national letter on 16th October. This will be followed in mid-December by the publication of CCG allocations, final 19/20 prices, contract guidance, technical guidance and templates. The deadline for contract signature is stated as 21 March 2019.

Black Country Partnership Foundation Trust (BCPFT)

Planning round 2019/20 – A meeting is due to be held mid-November and as previously will be carried out jointly with Sandwell and West Birmingham CCG. A similar approach will be undertaken as for RWT. The main difference being that an outcomes based contracting approach will form the basis of negotiations for 2019/20, rather than a block contract. The CCG has developed a draft set of outcome measures. Next steps include an intention to hold a joint workshop involving BCP clinicians to help refine and further develop the draft.

WMAS – Non-emergency Patient Transport Service (NEPTS)

The Provider had previously experienced issues with quality and performance. Overall there had now been improvement in the performance of key performance indicators of this contract. There is an option to extend this contract for 2 years after October 2019 if the CCG is confident in the performance of the current provider and the provider wishes to accept.

Urgent Care

Following a recent contract review meeting held with Vocare it was reported that positive improvement against quality metrics had been seen. The A&E four hour waiting time target had been achieved in 3 of the 5 months of the year and the two months when this was not achieved performance was above 94%. Triage performance had improved from 40% last year to 90% this year.

It was reported that a new management team had been put in place by Vocare and joint working was showing improvement in performance. Concerns were raised that the activity levels are lower than anticipated and the CCG would like to see this increase with a high level of monitoring to ensure quality and performance is maintained.

A block agreement has now been agreed and signed for a one year period.

Other Contracts

Marie Stopes International – Termination of Pregnancy Service

It was brought to the Committee for information at this stage that at a Commissioners Meeting a potential one year contract extension was

discussed. The current contract was for 5 years to run until March 2020 with an option to extend for 12 months to March 2021. The Provider had indicated that the current fees they receive are not sustainable. At the meeting there was discussion around the contract prices submitted as part of the procurement process. The proposed increase put forward by the provider would give a large tariff uplift which would have an approximate £240k impact for the CCG. Agreement was reached that the Provider would write to the coordinating Commissioner Sandwell and West Birmingham CCG setting out their proposed pricing.

The alternative to extending the contract would be to reprocure. It would be expected that the costs of the service would increase if reprocured. Further discussions with the Commissioner would take place.

The Committee;

- noted the contents of the report and the actions being taken

10. Additions/updates to Risk Register

FP. 318 There were no additions or updates to be made to the Risk Register other than those discussed under item FP.314 Risk Report.

The Committee;

- noted that there were no additions or updates to be made other than those discussed under item FP.314 Risk Report

11. International General Practitioner Recruitment Scheme

FP.319 Ms Reynolds updated the Committee in relation to the application the CCG had made for this scheme. This is part of the workforce work on retention carried out at an STP level across the Black Country Footprint. The application was supported by the Commissioning Committee and had been approved by NHSE earlier this year. The application is currently being refreshed in preparation for a readiness assessment being undertaken by NHSE before the end of December 2018.

Confirmation was given that the STP had chosen not to underwrite any of these appointments and, therefore, there is no financial risk to the CCGs across the Black Country. NHSE had confirmed that they will fund up to the first 12 months of employment. The practices will be responsible for the costs for the remaining 2 years. Practices who have expressed an interest and progress to the point of offering employment will be required to offer a 3 year contract to each individual GP they appoint.

The STP will receive an allocation of £2,500 per GP recruited to the Black Country. These funds will be utilised to fund a Local Integration Team who will be required to facilitate the programme locally.

Clarification was given that this approach had not been done before for GP recruitment. It is anticipated that recruitment will commence in January 2019.

The Committee;

- noted the update provided
- took assurance that there was no financial risk to the CCG

12. Aligned Incentives Agreement

FP.320 Mr Gallagher informed the meeting that the CCG and RWT had been discussing innovative contract arrangements for the last 12 months. The approach presented had been agreed by Executive Teams at both organisations and by RWT's Finance and Performance Committee. It was being taken to the RWT Board meeting on 5th November for approval and, if recommended for approved by this Committee, would go to the CCG's Governing Body meeting on 13th November.

The aim of the agreement is to have an Aligned Incentive Contract which can form a basis for contractual management arrangements in the future. The principles take into account the move towards an integrated care system, acknowledging that financial risk will be shared across the parties recognising the financial challenges present across the health economies.

It was acknowledged that there is a need to be transparent and to manage demand to develop a clinically sustainable model with a focus on moving to community/primary care services where agreed, supported by the transfer of funding.

The governance process will be retained. The A&E Delivery Board (AEDB) will be an important part of this with an oversight of winter planning. The AEDB will provide the governance structure to direct the investment of MRET and readmissions funds to support the development of the winter plan.

The agreement covers all points of delivery related to planned care and a cap and collar, between 95% to 105% would be in place. The rationale and infrastructure was considered and it was confirmed that the Trust is currently operating within the parameters of the cap and collar arrangements.

Cost reductions covering drugs, devices and step down pass through costs have an indicative plan. However, various ad hoc gain share arrangements are applied to certain high cost drugs due to national directives and as a consequence the current arrangements will remain to enable both parties to respond flexibly to national directives.

A block value had been agreed for unplanned care. The utilisation of the readmission funds of £850k will be directed to the AEDB to support the funding of the system wide winter plan and is ring fenced to support the Trust element of the system plan. In addition MRET funding of £371k had

been identified which will also be directed to the AEDB to support the funding of the system-wide winter plan.

It was highlighted that the new model around frailty is yet to be agreed and, therefore, will sit outside this agreement.

Community services segment will run as normal with a cap and collar of +/- 2.5% on the bottom line overall financial value excluding CQUIN. Should the cap or collar be invoked then the CCG will only reimburse at 60% thus retaining 40% the marginal rate. The exception to this is CQUIN which is fixed at 90%.

The 2017/19 contract earmarked £1,107,000 to be made available in each of the two years to support fixed costs that cannot be avoided as the Trust supports out of hospital care models.

If the proposal is agreed by both parties a Transformation Board will be established to oversee the process.

A query was raised as to whether the cap and collar is set for the following year or would it be revised based on the previous year. It was noted that this would be considered jointly and would require joint agreement for any amendments. It was reiterated that this is an agreement for this year which will inform arrangements going forward.

The members of the Committee;

- recommended that the Governing Body approve the adoption of the proposed risk share arrangements with Royal Wolverhampton Trust for 2018/19.

13. Any other Business

FP.321 There were no items to discuss under any other business.

14. Date and time of next meeting

FP.322 Tuesday 27th November 2018 at 3.15pm

Signed:

Dated: