

**WOLVERHAMPTON CLINICAL COMMISSIONING GROUP**

**Finance and Performance Committee**

**Minutes of the meeting held on 26<sup>th</sup> February 2019  
Science Park, Wolverhampton**

**Present:**

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

**In regular attendance:**

Mrs L Sawrey	Deputy Chief Finance Officer
Mr V Middlemiss	Head of Contracting and Performance (part)

**In attendance**

Mr P McKenzie	Corporate Operations Manager (part)
Mrs H Pidoux	Business Operations Support Manager

**1. Apologies**

Apologies were submitted by Mr Hastings

**2. Declarations of Interest**

FP.346 There were no declarations of interest.

**3. Minutes of the last meetings held on 29<sup>th</sup> January 2019**

FP.347 The minutes of the last meeting were agreed as a correct record.

**4. Resolution Log**

FP.348 Item 139 (FP.328) – The conversion rates at RWT A&E from arrival to decision to admit or treatment to be checked – the activity data was shared at the meeting and it was agreed that this would be circulated by email after the meeting – action closed.

Item 141 (FP.339) – Risk Assessment for E-referral issues to be carried out as to whether this needs to be added to the Committee Risk Register

- a productive meeting had been held with the Trust and the exclusion criteria had been agreed. The Committee was advised that this did not need to be a Committee risk and would be managed via the contracting process – action closed.

## **5. Matters Arising from the minutes of the meeting held on 29<sup>th</sup> January 2019**

FP.349 There were no matters arising to discuss from the last meeting.

## **6. Finance Report**

FP.350 Mrs Sawrey introduced the report relating to Month 11 February 2019

- All financial metrics are being met
- Month 10 Forecast Outturn is breakeven
- Underlying recurrent surplus metric of 2% is being maintained
- Currently reporting a nil net risk

The key points to note were;

- Planning for 19/20 is affected by an increase in the level of activity going through RWT. Forecast outturn reporting £1m underspend against the Aligned Incentive Contract this had dropped to breakeven due to activity levels in M9. The volatility is in out patients and elective care. The Risk/Gain Share Agreement encompasses non-electives. The CCG is closely reviewing data and is having constructive dialogue with the Trust.

Clarification was given that the figures reported in the Finance Report pertain to Month 10, whilst the figures in the contracting report relate to M9. This was due to a difference in reporting timeframes.

- CHC position had moved by £200k due to a high cost client being identified that was not on the QA database. Steps are being taken to address this happening in the future.
- Prescribing – volatile area due to NCSO and Category M drugs. These are national issues and the CCG is seeking clarity from NHSE regarding whether these pressures are recurrent.
- Primary Care Delegated Budget – In 2017/18 the CCG assumed responsibility for this budget. This was reliant on the historic performance data from NHSE and it was reported that this would breakeven and provision was made to ensure that resources were available to do so. As QOF, DES and locum claims have not been made as anticipated reporting is for £1.4m underspend. A review is to be undertaken, including Steven Marshall and Sarah Southall, to review the budgets received from NHSE to identify the level of funding which could be assigned to a discrete development fund

within the delegated primary care budget. The CCG Executive's had considered future planned developments to assess if these could be brought forward, however, this had not been possible.

A quarterly report containing the granular level of detail is taken to the Primary Care Commissioning Committee. It was agreed that in future this would be shared with this Committee.

Resolved: The Committee;

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

## **7. Contract and Procurement Report**

FP.351 Mr Middlemiss presented the key points of the report as follows;

### Royal Wolverhampton NHS Trust

- Community Phlebotomy – following a query from this service RWT had advised that a proportion of Rheumatology patients who were originally seen in New Cross Hospital had now been referred to the RWT community. This had caused an increase because it has revealed that the activity wasn't previously recorded. This will be picked up via the Planning Round process to ensure the activity is appropriately planned for in 2019/20.
- Referral To Treatment – the CCG had offered non-recurrent funding for the outsourcing of General Surgery and Ophthalmology. This offer had not been taken up due to the complexity of the patients involved which was felt by the CCG to be a legitimate explanation. Additional clinics are being held in some areas of the Trust to reduce waiting lists.
- Dermatology – The CCG had shared its initial analysis, at patient group level, with the Trust relating to activity to be moved to the community versus activity to remain at the Trust. The Trust is required to carry out patient level analysis to validate the assumptions. An external Dermatology Consultant has provided a clinical view on the service assumptions.

The Trust had been asked to confirm that they were definitely not going to be bidding or intending to be part of a bid. They had responded by stating that they are in discussion with another provider of dermatology services both in terms of interim capacity and support to longer term provider partnership (with RWT as a named sub-contractor) arrangements.

- E-referrals – a productive meeting had been held with the Trust and a list of local exemptions to supplement the national criteria had been agreed. The monitoring of these will be challenging and further work is to be completed to ensure the reconciliation process is not onerous.

Planning round – The Forecast outturn had been completed using 2019/20 tariff prices and will be refreshed using Month 10 data once available. The CCG is awaiting a response from the Trust on specialised service changes and QIPP.

The risk/gain share agreement had been discussed and it was felt that the framework agreed for 2018/19 could be carried forward, with a caveat that non-electives are considered and potentially revised (with respect to the introduction of blended payments for emergency activity as part of the tariff changes). The three South Staffordshire CCGs (which currently have their own risk gain share agreement with RWT) had expressed a desire to be aligned with Wolverhampton CCG, as a working principle.

#### Black Country Partnership Foundation Trust (BCPFT)

Planning Round 2019/20 – The CCG's offer to the Trust included inpatient beds moving to cost and volume and away from the previous block arrangements. The Trust has business cases, yet to be seen by the CCG, for increased investment.

Discussions are on-going in regards to investment into IAPT to help reach the 22% access rate and moving to recovery targets for 2019/20. The Trust has been asked to confirm what can be provided with the current investment.

An internal meeting was to be held and a further meeting with the Trust the following week. The negotiations are at a critical stage and there may be some potential escalation issues.

The cost of Psychiatric Intensive Care Unit beds were discussed including the use of the private sector.

#### Nuffield

Discussions are on-going as the CCG intends to take out a percentage of MSK activity to align with the commissioned pathway. It was noted this can be done and remain in the envelope of the Long Term Finance Model. This is being considered by the Provider.

#### WMAS – Non-Emergency Patient Transport Service (NEPTS)

This is a challenging area and had been discussed at the CCG's private Governing Body meeting. A meeting had also taken place between WMAS, Wolverhampton and Dudley CCGs. A letter had been sent to WMAS setting out the CCGs position.

The increase in the funding requested by WMAS is not affordable and the Provider cannot demonstrate that the level of investment it had made is required and had been asked to negotiate to a level that can be evidenced.

A meeting is to be held on 7<sup>th</sup> March and a response had been requested from the Provider prior to this to frame discussion. The CCGs will seek to either achieve a mutually agreeable contract level to allow extension or, if the CCG is unable to reach agreement, explore the option of re-procurement.

It was noted that other contracting issues are being raised and discussed at the Commissioning Committee.

Concerns regarding the Dermatology Service provided by Concordia were raised and it was confirmed that this had been raised with Mrs Roberts, the CCG's Chief Nurse and Director of Quality. Clarification was given that the current contract ends in November 2019 and that the procurement process was in line with this.

Resolved: The Committee;

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

## **8. Monthly Performance Report**

FP.352 Mr Gallagher presented the key points of the report on behalf of Mr Hastings as follows;

### Royal Wolverhampton NHS Trust

- Referral to Treatment Time (RTT) – the Trust is failing to meet the national standard. The Trust had been achieving the national requirement to sustain or reduce RTT waiting list size against the March 2018 baseline; however, for the first time in 2018/19, the list size in December 2018 exceeded this position.

It was noted that there was a significant increase in December and whilst it was acknowledged that this had been affected by patients choosing to wait until post-Christmas to commence treatment, it was queried if this was true year on year. Mr Gallagher agreed to raise this with Mr Hastings to clarify and if this year was significantly different to other years, why this was and what the Trust was going to do to address

this. A Remedial Action Plan to be considered to meet the waiting list size target.

The wording of the first bullet point in this section was considered; 'The Trust's verified performance for December was 90.7% with an average (median) waiting time of 6.8 weeks and 92% patients waiting 19 weeks to start treatment'. It was felt that this needed to be clarified as it was unclear.

- Zero 52 week waiters had been reported by the Trust. The patient waiting over 52 weeks at the Royal Orthopaedic Hospital NHS Foundation Trust (T&O) had been removed from the waiting list.
- A&E – with performance at 92.4% the Trust was not meeting the national standard of 95%, however, it is meeting the monthly PSF trajectory target of 90.2%. It was noted that nationally only 11 acute trusts out of 136 achieved the national standard with RWT ranked at 28<sup>th</sup>.
- The Statistical Process Charts for 4 hour wait performance was considered as the control limits had a target of 90% and the national target is 95%. Mr Gallagher agreed to raise this with Mr Hastings.
- Cancer – the Trust had achieved the locally agreed recovery trajectory for December. Scrutiny in this area is high. The Trust was originally reporting a recovery trajectory as June 2019, however, is now planning to submit a later date. Discussions are ongoing with the Trust.
- Delayed Transfers of Care – the Trust was performing very well in this area; targets had been achieved for both NHS delays and all delays.

#### Black Country Partnership Foundation Trust (BCPFT)

- IAPT Performance – the Provider was not meeting target. The CCG is exploring the use of other providers to support access targets. Third party providers had supplied files for upload to the Mental Health Minimum Data Set to support STP performance, however, initial uploads had been declined by the national system due to file errors. This was being investigated to resolve.

#### Nuffield

- Referral to Treatment – the performance levels of 100% compliance previously reported by the Provider had been challenged by the CCG. December performance had now been confirmed as below target at 87.95% (with the Wolverhampton element at 87.47%).

Resolved: The Committee

- noted the contents of the report

- Mr Gallagher to raise with Mr Hastings the following;
  - Decrease in RTT performance in December
  - Statistical Process Chart control limits

## 9. Risk Register

FP. 353 Mr McKenzie asked the Committee, as part of the continued advancement of the CCG's risk management process to conduct a review of the committee risk profile with an emphasis on whether each committee risk should either continue to be Treated or the residual level of risk be Tolerated. The aim of this was to identify whether there are any gaps in the controls applied and to ensure the Committee was satisfied that those risks within the profile were appropriately managed or tolerated. The Committee was also asked to consider if any of the risks had been mitigated enough to bring about closure or whether they can de-escalated to be managed as business as usual.

The Committee level risks were considered as follows;

- FP11 – System Pressures – A&E Performance – risk should remain high – risk is continued to be treated
- FP15 – IAPT Access Rate Target (BCPFT) – risk should remain at high - risk is continued to be treated
- FP14 – Transforming Care Partnership – Financial Impact – risk to remain as moderate as going forward allocations are not known – risk is continued to be treated.
- FP05 – Over-Performance of Acute Contract – further review following contract sign off – had been treated by the Risk/Gain Share agreement – risk tolerated.
- FP06 – Over-Performance of Prescribing Budget – EU exit impact and volatility in prescribing to be reflected. , exceeding QIPP target – the Committee was broadly of the view that this risk can be tolerated, however, further detail to support the narrative was required.
- FP04 – Increased Activity at RWT – narrative to be updated, monitoring actions in place to treat – risk tolerated.
- FP02 – Loss of Key Staff and Business Continuity – that had been treated within the Finance Team due to the recruitment of new staff and redistribution of responsibilities – risk tolerated

(Noted: that this risk is wider than the Finance Team going forward).

- FP07 – CHC Budget – update required from Maxine Danks, Head of Individual Care – risk tolerated
- FP08 – NHS Property Services Charges 2017/18 & 2018/19 – handler to be changed from Maria Tongue to Allan Kay – treated - risk are the same going forward – risk tolerated

It was noted that the NEPTS contract issues are being overseen by the Commissioning Committee. The BCPFT contract negotiations will be logged as a risk if this becomes necessary.

Resolved: The Committee noted;

- The current position of the Committee level risks.

*Mr Marshall, Mr Middlemiss and Mr McKenzie left the meeting*

## **10. Budget Paper**

FP.354 Mrs Sawrey presented the Committee with the draft financial plan for 2019/20 which adhered to the planning rules and noted that the report highlighted the risks contained within the financial position.

- As required the CCG submitted a 1 year plan, 2019/20, to NHSE in mid-February.
- In January 2019 the CCGs received their allocations for 5 years from 2019/20. It was noted that within the notified allocation for 2019/20 there is a targeted allocation for Ambulance services of £366k. As a consequence the percentage growth remaining for non-targeted services is around 5%.
- The minimum cumulative historic underspend to be 1%
- Mental Health Investment Standard to be delivered (6.7% growth) including the additional 0.7% growth.
- Drawdown only with permission of NHSE
- Removal of the requirement of any portion of the allocation to spend non-recurrently (previously 1% reserve) although NHSE had advised the CCG should maintain 1% underlying surplus and it was felt prudent to do so.
- Technical adjustments to the tariffs set out in the new tariff guidance absorb growth.
- In order to submit a balanced, assured plan for 2019/20 the CCG had included a QIPP programme of £13.5, 3.2% of its allocation. This is an extremely challenging target.
- There are no national uplifts for activity this year

Budgets are currently based on the Month 9 forecast outturn and are being signed off by budget holders. However, it was acknowledged that there may be some movement between Month 9 and Month 12. Any material changes will be reflected and signed off prior to the budgets being uploaded to the ledger.



The CCG had identified risks included within the 2019/20 budgets which total £3.05m. The key risks were as follows:

- £750k relates to potential level of overspend in the Acute Sector, a somewhat lower figure than 18/19 in anticipation of the agreement of an Aligned Incentives contract.
- £500k in relation to the volatility of Mental Health services particularly individual cases and NCAs.
- £500k associated with Prescribing and the volatility within this budget particularly around NCSO and QIPP
- £200k in relation to the uncertainty around Other Programme Services such as NHS Property Services.
- £1.1m potential slippage in QIPP schemes

The CCG had identified mitigations for risks as detailed below

- £1.95m - as in 2018/19 the CCG will utilise all of the Contingency reserve to offset overspends if they arise.
- £1.1m of further efficiency extensions.

It was concluded that the financial plan for 2019/20 met all the planning requirements and can withstand the mitigation of a certain level of risk and that it had been passed by NHSE. However, there are still a number of variables that, without resolution, place undue additional risk on the position that may make it undeliverable. In summary these were;

- Risk associated with continued NSCO costs
- Impact of any EU withdrawal consequences
- Future funding of Transforming Care Partnership (TCP) and the potential impact on the Local Authority
- Changes to the responsible commissioner for Specialised Commissioning portfolio

Mr Gallagher asked the Committee to support the paper, with a view to recommending to the Governing Body to sign off the budgets.

Resolved: The Committee;

- Noted the contents of the report
- Noted the level of financial risk associated with the proposed 2019/20 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.

## **11. Any other Business**

FP.355 There were no items to discuss under any other business.

## **12. Date and time of next meeting**

FP.356 Tuesday 26<sup>th</sup> March 2019 at 3.15pm, CCG Main Meeting Room

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**Signed:**

**Dated:**