

NHS BOLTON CLINICAL COMMISSIONING GROUP
Public Board Meeting

AGENDA ITEM NO:16.....

Date of Meeting:26th January 2018.....

TITLE OF REPORT:	CCG Finance & QIPP Committee	
AUTHOR:	Joanne Taylor, Board Secretary	
PRESENTED BY:	Alan Stephenson	
PURPOSE OF PAPER: (Linking to Strategic Objectives)	For the Board to receive and review the minutes of the Finance & QIPP Committee meetings held on 24 th November and 18 th December 2017.	
LINKS TO CORPORATE OBJECTIVES (tick relevant boxes):	Delivery of Year 1 Locality Plan.	
	Joint collaborative working with Bolton FT and the Council.	
	Supporting people in their home and community.	
	Shared health care records across Bolton.	
	Regulatory Requirement	
	Standing Item	√
RECOMMENDATION TO THE BOARD: (Please be clear if decision required, or for noting)	<p>The Board is asked to approve the Minutes. The key points the Board is asked to note from these minutes are:-</p> <ul style="list-style-type: none"> • Financial risks – mental health out of area placements and costs. • Bolton FT financial position and acute service deterioration. • Transformation Fund outcomes assessment further work to progress before the next meeting to gain required assurances. • Bolton FT’s financial position. • Agreement to recommend Chair’s actions on behalf of the CCG Board with regard to the Healthier Together assurance statement. 	
COMMITTEES/GROUPS PREVIOUSLY CONSULTED:	Finance & QIPP Committee	
REVIEW OF CONFLICTS OF INTEREST:	Conflicts of Interest are reviewed at every meeting.	

VIEW OF THE PATIENTS, CARERS OR THE PUBLIC, AND THE EXTENT OF THEIR INVOLVEMENT:	Patient views are not specifically sought as part of this report.
EQUALITY IMPACT ASSESSMENT (EIA) COMPLETED & OUTCOME OF ASSESSMENT:	EIA and an assessment is not considered necessary for the report.

MINUTES

FINANCE & QIPP COMMITTEE

Date: 24th November 2017

Time: 10.00am

Venue: Bevan Room, 2nd Floor, St Peters House

Present:

Charles Hendy	GP Board Member (Chair)
Tony Ward	Lay Member, Governance
Ian Boyle	Chief Finance Officer

In attendance:

Kelly Knowles	Associate Director, Strategic Finance
----------------------	--

Minutes by:

Joanne Taylor	Board Secretary
----------------------	------------------------

Minute No.	Topic
86/17	<p><u>Apologies for Absence</u> Apologies for absence were received from:</p> <ul style="list-style-type: none"> • Jackie Murray, Deputy CFO. • Alan Stephenson, Lay Member.
87/17	<p><u>Declarations of Interest</u> Charles Hendy declared an interest in the primary care items on the agenda.</p>
88/17	<p><u>Notes from the last meeting held on 27th October and Action Log</u> The outstanding actions on the action log were discussed and noted.</p> <p><u>Update on Bolton FT Control Total</u> Ian Boyle updated the Committee on the query raised at the last meeting to confirm that Bolton FT is on target to hit the control total.</p> <p><u>Healthier Together Finances</u> Clarification was previously sought on the implications on the Bolton health economy, and CCG in particular, on how we track the Healthier Together finances further to the information received in previous reports on stranded costs and ongoing financial implications. The principles assume any ongoing revenue costs will be off-set, however it is not clear what the implications of this will be for Bolton and how much extra risk taking is involved by accepting this principle.</p> <p>The Chief Finance Officer reported that stranded costs are a provider issue and Scampion rules would apply. A memorandum of understanding has been signed across CCGs and Trusts and further modelling of this work will continue.</p> <p>The Chief Finance Officer to distribute to members the figures involved.</p> <p>The Notes were approved as a correct record.</p>
89/17	<p><u>Actions from previous Board Meeting</u> There were no outstanding actions from previous board meetings.</p>

Report of the Chief Finance Officer (M7)

The report for month 7 was reviewed by the Committee.

It was reported that as at month 7 the CCG has delivered the year to date control total of £35k, and is on track to deliver the in-year control total of £60k. This excludes the carry forward surplus of £8,258k from 2016/17 which we have been told by NHS England that we cannot spend in-year. In addition, as per NHS requirements the CCG is currently holding a 0.5% non-recurrent reserve uncommitted.

This month the team has updated the report to align to NHS England reporting. This means that a number of the cost centres have moved between categories, but this does not affect the overall financial position.

The main pressures noted were regarding:-

- Acute Contracts (YTD over spend £2.24m)
The following lists the main providers where the CCG is seeing over performance on contracts and the main specialty areas causing the pressure. Further details of performance at POD and specialty are shown in the attached contract monitoring report.
 - CMFT - £186k predominantly General Surgery (£227k)
 - BMI - £984k; T&O (£439k), General Surgery (£202k), Urology (£93k), ENT (£57k) & Anaesthetics (£87k)
 - WWL - £450k over-performance in T&O (£126k), IVF (£99k), Respiratory Medicine (£99k), General Med (£31k) and General Surgery (£26k)
 - SRFT - £270k predominantly Nephrology (£134k), Neurology (£83k) and T&O (£62k)
 - Pennine - £104k mainly Gen Surgery including Vascular (£42k) and Cardiology (£13k)
 - UHSM - £168k due to General Surgery (£44k), Gen Med (£20k) and T&O (£22k), Infectious Diseases (£13k) and Paediatrics (£12k)
- With regards to the BFT contract there continues to be data quality issues with the data being received, and whilst some issues have been resolved there still appears to be some reporting issues. A joint workshop took place with the Trust on 2nd November to “deep dive” into all contractual and performance issues, and an action plan has been shared with leads being held to account for each action.
- Mental Health (YTD over spend £0.79m) – due to a number of new high cost placements since the start of the year and delays in discharges. The commissioners continue to review the position in order to try to mitigate these pressures before the end of the year, and a full report is expected by the end of December.
- CHC/FNC (YTD over spend £0.05m) – the over spend on CHC appears to have reduced again this month and the QIPP scheme continues to deliver.

This is being off-set by:

- Running & Other Corporate Costs (YTD under spend £0.50m) – due to vacancies in corporate areas and under spends in non-pay as expected, and is forecast to over deliver against the QIPP target of £550k.

The report also detailed an update on Prescribing:

- As at month 7, the CCG had received prescribing information up to the end of August, and this is continuing to show an over spend.
- As a result the forecast is now reported as £0.38m over spent.
- The main increase is due to the impact of ‘No Cheaper Stock Obtainable’ (NCSO), and there continues to be an increase in spend compared to the same period last year, and again we have been notified of further additions to the list this month.
- NHS England continues to hold the benefit from a reduction in Cat M prices centrally, until the national financial position is known, but GM CFOs are discussing this in order to agree a strategy to mitigate this pressure.

	<p>Members reviewed the report and supporting documentation, in particular the figures forecasted on acute services. Members queried the considerable overspend being reported month on month. The Chief Finance Officer reported on the outcomes from the deep dive joint event held with Bolton FT which included an update on continuing risks in the system and the support from the CCG in the areas of Business Intelligence and Planned Care.</p> <p>Members also reviewed the financial scenario risk range and the primary care underspend and discussed whether this represents lack of provision to patients. It was reported this relates to the profiling with NHS England, in particular regarding benefits from maternity/sickness leave from the previous year and how on a cyclical basis this will be reinvested back into primary care over the coming years.</p> <p>The Committee noted the report as at month 7, in particular the continued pressure relating to prescribing and the current financial issues with Bolton FT.</p>
91/17	<p><u>NHS Standard Contract Consultation</u></p> <p>NHS England has published a consultation for the proposed changes to the NHS Standard Contract for 2018/19. The response deadline for the consultation was 10th November 2017. The paper illustrates the changes and considers any necessary action to ensure that providers will be compliant. Bolton CCG's response to the consultation has been agreed by the Executive.</p> <p>The Committee noted the changes and CCG response and noted that the contract team will continue to work with providers to ensure that these changes are considered going forwards.</p>
92/17	<p><u>Joint Savings Performance Update (M7)</u></p> <p>The report provided an update on the 2017/18 joint savings performance as at month 7. The forecast outturn for 2017/18 is currently showing delivery of £22.2m against a plan of £25m due to Bolton FT reducing their forecast.</p> <p>The main points noted were regarding prescribing schemes which were reporting on plan at month 7 pending receipt of data. Corporate cost schemes have over achieved the plan year to date by £66k at month 7, mainly due to vacancies. The current plan for 2017/18 identifies schemes to achieve the full QIPP target for this financial year. The CHC scheme is ahead of plan year to date at Month 7, £126k, having recovered previous year to date slippage.</p> <p>Members noted that the new models of care scheme is behind plan at Month 7 due to delayed implementation of locality plan schemes in other localities and difficulties in quantifying the impact. Some element of risk also remains around delivery of other schemes, eg. prescribing cost pressures relating to "No Cheaper Stock Available" and Category M prescribing.</p> <p>QIPP planning is continuing throughout quarter 3. A workshop to plan for the 2018/19 QIPP programme has now been held. The CCG has also undertaken an internal audit review of its QIPP processes and is awaiting the recommendations from this. It was also noted that there are plans progressing for a further workshop to include clinical representation.</p> <p>Members discussed in detail the financial position at Bolton FT. It was noted that the information presented in the iCIP performance table was being reviewed and would include further detailed information in future reports.</p> <p>Members also noted and discussed the year on year decrease in referrals to all providers, with the majority of decrease being shown at Bolton FT. Members questioned the accuracy of the data and the Chief Finance Officer agreed to review and bring back further detail at a future meeting.</p>

	<p>The Committee recognised the QIPP and joint savings performance and forecast for 2017/18 as at Month 7. The Committee agreed to receive further information on the accuracy of the referral data.</p>
<p>93/17</p>	<p><u>Transformation Fund Finance Update</u> The report updated the Committee on the Bolton 2017/18 transformation fund financial position as at month 7 and the system wide impact of slippage for 2017/18 and risk management.</p> <p>It was noted that there is a variance against plan of £4.3m, due to a number of under spends, which were expected and relate to the funding earmarked for the development of the LCO, and therefore not related to the services implemented at the beginning of the year, which are on track to deliver the required outcomes.</p> <p>Discussions continue with the Greater Manchester Health and Social Care Partnership to manage the local financial position. Work continues to update forecasts and profiling to confirm funding required for 2019/20 and scheme level investment agreements are to be completed in Month 8.</p> <p>The next steps were noted. Monitoring meetings with all scheme leads to confirm expenditure forecasts and applicability of profiling into 2019/20 will be undertaken and further financial modelling to include cashable savings, recurrent cost of schemes and system impact of scheme delays.</p> <p>Members discussed changes from last month with regard to the scheme detailed plan and queried the detail showing progress month on month. It was noted that the Health and Wellbeing Executive and System Sustainability and Transformation Board monitor each scheme and spend in detail. Members challenged whether appropriate performance management monitoring is taking place and the need for assurance that outcomes are being assessed in detail.</p> <p>The Committee recognised the transformation fund financial performance and forecast for 2017/18 as at month 7 and agreed to receive progress on each scheme month on month in future reports.</p> <p>It was agreed that copies of the reports submitted to the Health and Wellbeing Executive and System Sustainability and Transformation Board will be sent to Committee members and that further internal discussions be held with Tony Ward and Ian Boyle to agree the next steps, which may include invoking of powers as Audit Chair, to gain the assurances required by this Committee.</p>
<p>94/17</p>	<p><u>Health Economy Financial Position:-</u></p> <p><u>Bolton Economy Finance Position (M6)</u> The report was noted.</p> <p><u>Bolton FT Finance Committee Report (M7)</u> Concerns were raised regarding the current financial position at Bolton FT. It was noted that the FT is forecasting achievement of A&E targets in quarter 3 in order to receive STF monies.</p> <p>The Chief Finance Officer reported on ongoing discussions being held with the FT's Director of Finance on the concerning financial position and achievement of their control total.</p> <p>Members discussed the need for further assurance. Currently the FT's Director of Finance presented to the Committee on a 6 monthly basis. Members agreed there is a need for this to be more frequent due to the current concerning picture and requested that the Director of Finance be invited to attend the next meeting of the Committee to discuss these concerns in more detail.</p>

	<p>The Committee noted the update from Bolton FT on the current financial position and requested further detailed discussions be held with the FT's Director of Finance at the next meeting.</p>
95/17	<p><u>Any Other Business</u> <u>Four Seasons Nursing Home</u> – It was noted that Four Seasons was currently undergoing a financial restructure and members questioned if appropriate contingency plans were being developed, to be available if required.</p> <p>It was agreed that an update would be sought from the CCG Executive, for further feedback to the Committee at the next meeting.</p>
96/17	<p><u>Chair reflection on significant decisions/actions/risks that may need reporting to the Board through these minutes</u></p> <ul style="list-style-type: none"> • Financial risks – mental health out of area placements and costs. • Bolton FT financial position and acute service deterioration. • Transformation Fund outcomes assessment – further work to progress before the next meeting to gain required assurances.
97/17	<p><u>Time and Date of Next Meeting</u></p> <p>It was agreed that the FT's Director of Finance be invited to the next meeting to be held on 22nd December 2017 at 10am in the Bevan room, 2nd Floor, St Peters House. The Committee agreed to be flexible on the date/time of the next meeting in December if the 22nd December was not suitable.</p> <p>If there are any issues in agreeing a date/time to meet in December, standard reports would be circulated and the next meeting would be held on 26th January 2018 following the public board meeting.</p> <p>The FT's Director of Finance would be invited to attend the next meeting and the date/time of the next meeting would be confirmed to members in due course.</p>

MINUTES

FINANCE & QIPP COMMITTEE

Date: 18th December 2017

Time: 2.30pm

Venue: Nightingale Room, 2nd Floor, St Peters House

Present:

Alan Stephenson	Lay Member (Chair)
Tony Ward	Lay Member, Governance
Ian Boyle	Chief Finance Officer

In attendance:

Kelly Knowles	Associate Director, Strategic Finance
Jackie Murray	Deputy Chief Finance Officer
Annette Walker	Director of Finance, Bolton FT

Minutes by:

Joanne Taylor	Board Secretary
----------------------	------------------------

Minute No.	Topic
98/17	<p><u>Apologies for Absence</u> Apologies for absence were received from:</p> <ul style="list-style-type: none"> Charles Hendy, GP Board Member (Committee Chair).
99/17	<p><u>Declarations of Interest</u> There were no declarations of interest.</p>
100/17	<p><u>Update from Bolton FT DoF on Bolton FT's Financial Position</u> Bolton FT's month 8 finance report had been shared with members prior to the meeting. Annette Walker presented the report. Information highlighting the FT's financial position as at September and December 2017 was tabled. Members commented on the significant underlying deterioration.</p> <p>Annette Walker presented the overall financial position of FT at month 8 and reported that the FT is working towards a best case scenario of a break even position which will include receipt of STF of £3.8m. The NHS Improvement protocol to be used for changes to an in-year financial forecast was also shared with the Committee. It was noted there is a requirement for further discussions to be held with the CCG, GMH&SCP and NHS Improvement to agree to change the forecast position. In the meantime, the FT will continue to work to achieve financial balance through a number of different initiatives which are being developed and which Annette Walker presented to the Committee in more detail.</p> <p>The initiatives highlighted were noted as:-</p> <ul style="list-style-type: none"> Continuing to work with the CCG on access to the Transformational funds for some of the costs incurred by the FT. The main drivers for the overspend are workforce and winter pressures. The FT has not managed to reduce beds over the summer and have had escalation beds in place with the use of agency staff. All divisions are now currently on red alert, due to the overall financial position of the FT. This means that the Director of Finance is signing off every recruitment request ensuring there is no compromise on safety and quality.

The FT is also using the NHS Improvement checklists across the FT, which prompts divisions to think about what changes can be made in terms of financial recovery and doing what is expected of the FT by NHS Improvement.

Annette Walker also reported on the financial position across GM Trusts. As at month 7 the total deficit across Greater Manchester was £59m.

Annette Walker shared with the Committee the discussions held with Bolton FT Board on their approach to CIP and the changes required to be more strategic than transactional. The FT's board finance report now includes information on the additional agency costs over and above what would be spent if substantive staff were in post.

Members were also informed of the work continuing in planned care with the CCG and FT to look at influencing referrals to maximise NHS capacity. The work around repatriation has not developed as planned due to capacity constraints at the FT, however there is an acknowledgement for the need for consistent pathways to be developed and potential increase in productivity and work around job planning continues to be developed.

Members reviewed the underlying deficit numbers and the request received from the FT for additional CCG funding, STF funding and discussed the enhanced controls being put in place that will allow the FT to come to a break even position. Members queried how much the FT is reliant on general improvement performance and others to deliver financial balance. Annette Walker acknowledged the difficulties faced in showing improvement between now and the end of the financial year but there are some technical opportunities that will show some genuine improvements. However, it was acknowledged that this will take some months before the full impact can be seen and there are some areas that can be progressed but need a GM solution.

Members also asked how QIPP is being embedded within the FT and levels of clinical engagement. Annette Walker reported that the FT is looking to implement a more strategic clinical leadership approach linking into the locality plan developments with the overall aim to improve services as a result. It was acknowledged that there is a lot of scope for improvement and reduction in inefficiencies.

Members discussed NHS pay issues, the use of e-rostering and bank staff costs. It was noted that the FT has appointed a new HR Director, who is commencing in post in January 2018, who will start to drive some of the workforce issues. There are some controls in place on use of temporary agencies, and the FT has reviewed the option of increasing bank staff rates if the costs are less than temporary agency costs. There was an acknowledgement that the FT need to think more strategically around the review on the estate spend and structural changes that can be implemented but noted this will take time to implement. Members also discussed the allocation of winter monies and what this will be used for.

The Committee noted the CCG's financial position and the other demands on acute and mental health services. It was reported that a meeting is being held with GMMH commissioners regarding the rising costs with out of area placements and plans were developing to review an alternative model for next year around risk sharing, which would start to see some impact on costs.

Members acknowledged that the CCG want to support the FT to deliver their control total, with the main focus being that neither organisation is in deficit. The question will be at what level if the full £2.9m request cannot be funded. Options to link some initiatives to STF monies and other changes that could help with the position were discussed.

Annette Walker confirmed that the FT would want support in principle to the £2.9m, recognising that this is the figure agreed when the contract was signed and agreed that in year discussions would continue and development of plans discussed to reduce costs further linking to the locality plan developments.

	<p>Members agreed to the principles, but acknowledged that affordability is the issue and that the offer to the FT will probably be somewhere in the range of £1.7m and £2.9m. Work to link some major changes/possible service redesign developments with the funding available will need to continue to be developed, which need to include discussions with other partners around the use of STF through the Health and Wellbeing Executive and System Sustainability and Transformation Board to ensure they are full aware of the financial positions.</p> <p>The Committee therefore agreed to maintain the principle of both health organisations delivering control totals and that the request from the FT of £2.9m funding is agreed in principle if this becomes affordable.</p> <p>The Committee agreed that the FT Director of Finance can confirm to the FT Finance Committee that the CCG support a payment of an amount of money that is within the affordability of the CCG. If there is improvement in the CCG position, the number may increase. Further discussions will be held to ensure figures are aligned and discussions will be held with NHS England on the possibility of utilising the 0.5% draw down funding. Local partners to also be informed of the current financial position of both organisations through the Health and Wellbeing Executive and System Sustainability and Transformation Board.</p>
101/17	<p><u>Healthier Together Finances</u></p> <p>The Committee was updated on the assurance statement which has been signed by the six Chief Finance officers in the North West sector of Greater Manchester regarding the Healthier Together business case and activity in relation to Wigan, Salford and Bolton.</p> <p>The principles adopted related to use of the Scampion rules in relation to stranded costs as a concept over a three year period by which time they will be managed out of the system.</p> <p>It was noted that the CCG Executive has reviewed and agreed this principle, but have requested that the Finance and QiPP Committee review and agree prior to Board approval. It was further reported that Bolton FT Board has not agreed to this sign off due to the possible impact on the FT's future financial position and have requested assurance from NHS Improvement prior to approval.</p> <p>The Committee noted Bolton FT's position and agreed to recommend to the Chair his approval under Chair's actions. The outcome will be reported to the Board at the January meeting.</p>
102/17	<p><u>Any other Business</u></p> <p>There was no further business discussed.</p>
103/17	<p><u>Chair reflection on significant decisions/actions/risks that may need reporting to the Board through these minutes</u></p> <ul style="list-style-type: none"> • Bolton FT's financial position. • Agreement to recommend Chair's actions on behalf of the CCG Board with regard to the Healthier Together assurance statement.
	<p><u>Time and Date of Next Meeting</u></p> <p>Agreed the next meeting would be held on <u>Friday 26th January 2018</u> at 12 noon in the Bevan Room, 2nd Floor, St Peters House.</p>