

## Strategic Finance Committee

Minutes of the meeting held on Tuesday 29<sup>th</sup> May 2018, 15:00-17:00, Meeting Room B, 4<sup>th</sup> Floor, South Plaza

### Minutes

Present		
<b>Peter Marriner</b>	Strategic Finance Committee <b>Chair</b>	PM
<b>John Rushforth</b>	Independent Lay Member – Audit, Governance and Risk	JR
<b>Jon Hayes</b>	BNSSG CCG Chair	JH
<b>Sarah Truelove</b>	BNSSG Chief Financial Officer	ST
Apologies		
<b>Julia Ross</b>	BNSSG Chief Executive Officer	
In attendance		
<b>Mike Vaughton</b>	BNSSG Deputy Chief Financial Officer	MV
<b>Deborah El-Sayed</b>	BNSSG Transformation Director	DES
<b>Lisa Manson</b>	BNSSG Director of Commissioning	LM
<b>Nick Tippett</b>	BNSSG Head of Management Accounts	NT
<b>Steve Rea</b>	BNSSG Associate Director of Programme Delivery	SR
<b>Karan Fairley</b>	Executive Assistant to the Chief Executive Officer (Note taker)	KF

	Item	Action
02	<b>Declarations of Interest</b> For item 9 AQP Audiology Paper: Jon Hayes stated that medical practices are shareholders in GP care.	
03	<b>Minutes</b> The minutes of the meeting held on 19 <sup>th</sup> April were approved. <b>Action Log</b> The action log was reviewed and updated.	
04	<b>Month 13 Financial Report</b>  ST gave a verbal update. Acute trusts had not yet provided all information with respect to their final positions, once all the information and data is received, ST will provide an update to SFC on savings outturn. In the interim, ST assured SFC that the financial position for 2017/18 remains fundamentally unchanged.	ST
05	<b>System Financial Recovery Plan</b>  The main report described the savings schemes that have been developed and the progress made to date. Previously the Committee has reviewed the risk assessment of the forecast savings position. Concern was expressed that there is limited progress in developing new schemes and accelerating existing schemes to make up the estimated shortfall identified	

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	<p>in the risk assessment. Currently the Recovery Plan shows £24m savings delivery in year. It was agreed that the next report will focus on the savings reported up to month two and this will be reflected in the Financial Performance report.</p> <p>In particular the Committee was concerned about the deliverability of £5m 'system savings' being addressed by task and finish groups which is risk assessed at 'black'. ST agreed that is a substantial risk to delivery and expressed concern about the pace of progress this month. The CFO confirmed her view that the 'system' work on savings delivery remains a key priority for the executive team and organisation.</p> <p>ST advised the savings target remains at £37m and acknowledged the CCG has retained uncommitted reserves in the finance plan. The CFO remains confident of delivery of the financial control total in 2018-19 and the CCG has well developed processes and structures for progressing the financial recovery plan. There is more work to do at pace to respond to the identified risks to delivery which will include accelerating existing schemes and identifying additional savings plans this year.</p> <p>The Committee discussed the approach to risk assessment, specifically the RAG rating of schemes that are in development but not yet implemented and especially where there remains a risk that delivery of savings this year will not happen. This is important in the context of understanding the potential impact on financial performance and mitigation needed.</p> <p>Savings plans for 2019-20 are formative but will need to quickly develop to ensure full delivery next financial year and to support the financial recovery plan. The CFO confirmed this is something being addressed through the Turnaround Steering Group.</p>	
06	<p><b>Procurement – Pipeline and current initiatives</b></p> <p>LM reported that, following an action from the Turnaround Steering Group, contracts with nursing homes were under review. The procurement database contains some 300 contracts for nursing homes. The recommendation is to review contractual rates with the intention of moving to a more standardised approach to contract setting with providers across the system acknowledging there are differences locally in the market place and the demand for services.</p> <p>The next major project is valued at £120m for 2018/19 on community re-procurement. A report on this item will be available at the next SFC. Due diligence is currently in progress on providers.</p> <p>SFC recommended a market assessment of care (homes). LM confirmed there is active engagement with care homes and a forward plan is being</p>	LM

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	<p>developed. The national statistics for Bristol confirm the price is high per bed in care homes compared to, for example, North Somerset, which is the lowest price. As part of this work there would be a capacity and demand review built around work with 3Rs.</p> <p>Governance structure associated with this work to SFC in June.</p>	
07	<p><b>Review Forward work program</b></p> <p>This was approved and the following comments were noted.</p> <p>ST will add an item on the approach to budgeting.</p> <p>A transformation update will be included with a proposal on which strands of activity will come at what point in the year.</p> <p>ST will include a medium term financial strategy paper.</p> <p>LM will draft commissioning intentions for inclusion.</p>	<p>ST</p> <p>DES</p> <p>ST</p> <p>LM</p>
08	<p><b>Financial Reporting – draft template</b></p> <p>The DCFO introduced a draft template for financial reporting to the CCG from May 2018 (month 2). The template attempts to simplify the presentation of financial information by focusing on the critical issues and highlighting specific concerns.</p> <p>The ambition by Quarter 2 is that the CCG will have developed an integrated approach to how it reports performance that brings together the various elements to provide a rounded perspective on performance. The financial reporting will be one element within the integrated performance report.</p> <p>The Committee made specific reference to two key issues that the finance report should be clear about, namely; progress with the savings delivery plan and how the CCG will manage risks. In addition the report should include a clear summary with a conclusion regarding performance against plan and detail actions implemented in response to issues identified.</p> <p>SFC approved the draft template in principle with the recommendation to review on an ongoing basis. A materiality basis should be adopted to determine relevance.</p>	<p>MV</p> <p>MV</p>
09	<p><b>AQP Audiology Paper</b></p>	

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	<p>This forms part of the programme of work on contract review.</p> <p>It is unlikely anyone could challenge the proposal and is dependent upon how the individual companies are used in the referral process.</p> <p>The evaluation criteria questions will be circulated to SFC.</p> <p>The committee were content with the paper and the proposal will be submitted to GB next week for approval.</p>	LM
10	<p><b>Key Messages for GB</b></p> <ul style="list-style-type: none"> <li>• Savings plan.</li> <li>• Audiology AQP.</li> <li>• Reporting going forwards and reflect some of the discussion on principles arising from discussion at SFC and pressed hard on system savings,</li> <li>• Emphasise in public meeting we are an organisation in turnaround,</li> </ul>	
11	<p><b>AOB</b></p> <p>There was none.</p>	