

**Strategic Finance Committee Minutes of the meeting held on Tuesday 28<sup>th</sup> May, 14:00-16:00, Executive Boardroom, South Plaza.**

## Minutes

| <b>Present</b>   |   |     |
|------------------|---|-----|
| *John Rushforth  | Independent Lay Member – Audit, Governance and Risk (Chair) | JRu |
| *Julia Ross      | Chief Executive Officer                                     | JRo |
| *John Cappock    | Incoming Strategic Finance Committee Chair                  | JC  |
| *Jonathan Hayes  | Clinical Chair  | JH  |
| <b>Attended</b>  |   |     |
| Helena Fuller    | Deputy Director of Commissioning                            | HF  |
| Jonathan Lund    | Deputy Chief Finance Officer                                | JL  |
| Steve Rea        | Associate Director of Programme Delivery                    | SR  |
| Deborah El-Sayed | Executive Director of Transformation                        | DES |
| Padma Ramanan    | Head of Finance – Partnerships and Mental Health            | PR  |
| David Jarrett    | Executive Area Director for South Gloucestershire           | DJ  |
| Sabrina Smithson | Executive PA (Note Taker)                                   |     |
| <b>Apologies</b> |   |     |
| *Sarah Truelove  | Deputy Chief Executive/Chief Finance Officer                | ST  |
| Lisa Manson      | Director of Commissioning                                   | LM  |

|           | <b>Item</b>  | <b>Action</b> |
|-----------|--|---------------|
| <b>02</b> | <b>Declarations of Interest</b>  |               |
| <b>03</b> | <ul style="list-style-type: none"> <li><b>Minutes from previous meetings</b><br/>One minor error was noted on page 4 under Any Other Business. Instead of ‘take our QIPP plan’, the text should read ‘As BNSSG needs to deliver efficiencies together as a system the term QIPP (which implies a CCG-only efficiency plan) will no longer be used; the term ‘system financial recovery’ is preferable.<br/>With this amendment made, the minutes were approved</li> <li><b>Action Log and Matters Arising</b><br/>The action log was updated accordingly.</li> </ul> |               |
| <b>04</b> | <p><b>Update of known changes from 18/19 accounts.</b><br/>The CCG had not prepared Month 1 management accounts, as the annual plan was still be finalised and many contracts only had estimate financial assumptions. However JL gave a verbal update that confirmed that actual Month 12 expenditure was in line with the estimates used for Month 12</p>  |               |

|    | <b>Item</b>   | <b>Action</b> |
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|    | <p>accounts for prescribing and acute contracts, and no material movements were being carried into the 2019/20 accounts.</p> <p><b>Re-submitted 2019/20 Operational Plan.</b><br/>A paper was submitted to the Committee prior to the meeting. JL described key movements in the 2019/20 Financial Plan plan from the version previously approved by the Governing Body; and the key risks and mitigations.</p> <p>The 2019/20 Operational Plan was re -submitted to NHS England/Improvement on 23<sup>rd</sup> May. The CCG and wider system were asked to re-submit plans to demonstrate a shared understanding of system variance and recovery actions to improve the financial position.</p> <p>The CCG plan is for an in year deficit of £12m. The Healthier Together System financial plan is for an in year deficit of £55.7m, which is £12m adverse to the NHS England/ NHS improvement Control Total of £43.7m deficit.</p> <p>JL informed SFC that the Regional NHSE and NHSI Team will provide support funding to the CCG of £2m funding which will put us at a £10m deficit. The hope is that this position will then give us the opportunity to earn Commissioner Sustainability Funding of £10m.</p> <p>JR stated that we are still missing a shared risk framework across the system which is being pushed for by the regional team. There has been progress in a move towards shared accountability however we need to optimise and drive that commitment from the providers. A plan for shared accountability of System Recovery will be delivered through the System Partnership Board. The next meeting will take place on 24<sup>th</sup> June and we would expect to see delivery plans for new schemes.</p> |               |
| 05 | <p><b>System Finance Recovery Plan</b><br/>A paper was submitted to the Committee prior to the meeting. SR highlighted the following areas:<br/>SR commenced by referencing the changes made to the planned savings figures since the previous month's report. The CCG's savings plan has been updated to reflect the wider system resubmission made on 23<sup>rd</sup> May which includes an additional £9.9m of required system savings. This therefore gives a savings requirement of £41.4m with £35.1m identified. The unidentified risk is currently mitigated through application of contingency. JL asked after Medicines Optimisation and the reasoning behind the amber RAG rating for Optimising Primary Care Prescribing. SR noted there is</p>   |               |

|  | Item  | Action              |
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|  | <p>uncertainty the specific drug savings will be realised but would seek more information from the Control Centre. <i>(Action)</i></p> <p>JH asked whether homeopathic prescribing levels have now decreased following the CCG’s policy change last year. SR would confirm this with the Control Centre as report back to SFC. <i>(Action)</i></p> <p>JRu questioned the forecast savings analysis and how this links to the RAG ratings assigned. SR explained the RAG analysis is helpful to identify projects at risk however the RAG does not dictate the forecast savings delivery – which is calculated at a detailed, project level each month.</p> <p>JRu asked if the STP will use ‘Verto’ (project management software) for this. SR confirmed the software will be used.</p> <p><b>David Jarett attended to present the Deep Dive into Planned Care. The presentation was circulated prior to the meeting and DJ highlighted the following areas:</b></p> <p>DJ commenced by highlighting the position for those projects which have an impact in 2019/20 which commenced in 2018/19. There are six projects which are forecasting to deliver £1.8m in total.</p> <p>DJ then highlighted the new areas for 2019/20 which are: Referral Management, Outpatient Transformation, Eye Clinical Referral Triage, Urgent Eye Advice Line, Faecal Calprotectin, Independent Sector and Community Urology Contract Changes. The following questions arose surrounding these projects.</p> <p><b>Referral Management</b></p> <p>JRu asked if the work for this can be accelerated this? DJ informed all that the referral management services are consulting with S Glos practices to ensure roll-out is as efficient as possible. JRo asked if the CGG are confident that South Gloucestershire has such an efficiency opportunity as Bristol and North Somerset given historically lower referral rates? SR interjected that the control centre has calculated the savings based on benchmarking S Glos rates with those in Bristol and N Soms.</p> <p>JL asked if the CCG are targeting the SG practices? DJ confirmed the ones with greater opportunities will be approached.</p> <p><b>Outpatient Transformation</b></p> <p>DJ highlighted that our acute hospital providers are engaging with the process via the Outpatient Transformation Board and providing opportunity analysis with regard to reducing follow up rates.</p> | <p>SR</p> <p>SR</p> |

|    | <b>Item</b>  | <b>Action</b> |
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|    | <p>JRo asked if the CCG has assumed the delivery of the full benefit of £1.5m in 2019/20? DJ confirmed that is the case.</p> <p><b>Additional Savings – independent sector (Elective Activity)</b><br/>                     DJ noted the additional plan to review the level of spend in the independent sector which increased significantly in 2018/19. JH asked if benchmarking was high because there are many providers in BNSSG? DJ answered there is outsourcing from acute provides to manage waiting times which could be reduced. JRu asked if the CCG would be worried about the waiting times. JRo clarified the waiting times won't reduce anymore this year.</p> <p>JRu commended the Planned Care Team for all of their work.</p> |               |
| 07 | <p><b>Transformation Update:</b><br/>                     - Better Care Fund closed section of meeting</p>   |               |
| 08 | <p><b>Community Services Procurement</b><br/>                     Closed Section of Meeting</p>  |               |
| 11 | <p><b>Review of Key Messages for Governing Body</b></p> <ul style="list-style-type: none"> <li>- Revised Financial Plan is heavily dependent on whole system working</li> <li>- Lots of hard work had gone into developing the revised plan, and gaining assurance of NHE/I, but there was much more to do over the next month to develop robust delivery plans in advance of the Healthier Together Partnership Board and achieving the forecast financial position.</li> <li>- Adult Community Services Procurement is reaching the most intensive period.</li> </ul>  |               |
| 12 | <p><b>Any Other Business</b><br/>                     July SFC – To be changed.</p>  |               |