NHS
Bristol, North Somerset and South Gloucestershire
Clinical Commissioning Group

Strategic Finance Committee Minutes of the meeting held on Friday 01st May 2020, 13:00-15:00, Via Microsoft Teams

Open Minutes

Present		
*John Cappock	Strategic Finance Committee	JC **Chair**
*Sarah Truelove	Deputy Chief Executive/Chief Finance Officer	ST
*John Rushforth	Deputy Chair and Lay Member for Audit, Governance and Risk	JRu
*Julia Ross	Chief Executive Officer	JRo
Attended		
Jonathan Lund	Deputy Chief Finance Officer	JL
Steve Rea	Associate Director of Programme Delivery	SR
Helena Fuller	Deputy Director of Commissioning	HF
Sabrina Smithson	Executive PA (Minute Taker)	SS
Apologies		
*Jonathan Hayes	BNSSG Clinical Chair	
Deb El-Sayed	Executive Director of Transformation	
Lisa Manson	Executive Director of Commissioning	

*Members of Committee who make-up quoracy.

	Item	Action
	This month's meeting was held via on online Video Conference due to the Covid-19 outbreak.	
2.0	**Declarations of Interest** There were no new declarations of interest or declarations of interest relevant to the agenda.	
3.0	**Minutes from previous meeting** The minutes for both the open session had been circulated to the Committee in advance of the meeting and were approved. JC raised the resilience of NHS Shared Business Service risks. JL advised there was a transitional phase where services were slowed down but all services are currently running smoothly.	
3.1	**Action Log** The action log was reviewed and updated accordingly.	

	Item	Action
3.2	**Annual Report – Financial Performance Commentary** A paper was submitted to the committee prior to the meeting and therefore JL highlighted the following: The paper had been included in the draft Annual Report which was submitted to auditors and NHSE. The paper is based on unaudited financial position, and subject to final editing. JL had tried to emphasise that the CCG had been set an initial challenging plan and that there was the Long Term Plan (LTP) to return to financial sustainability and resolve the historic deficit. ST interjected since the CCG drafted this we need to reflect the Covid-19 implications. JC asked is the format or content prescribed and how much latitude do the CCG have to tell the story you want to tell. ST advised as long as it's a fair position the CCG have some latitude. JC further queried is there more scope to paint a positive picture, and bringing in more details about the impact of the financial performance on our population at the forefront of the report. JRu asked can we bring in a strand about how little we have control over some of these numbers as this doesn't come through in the report JRo Agreed. JL ACTION – to catch up with Sarah Carr and ensure it aligns with document.	
4.0	**M12 Finance Report** A paper was submitted to the committee prior to the meeting. JL highlighted the paper content and answered the following questions: The outturn financial position is a £34.1m deficit which is £22.1m adverse in line with M9 forecast. The biggest drivers of the adverse position are Continuing Healthcare complex individual packages; acute independent sector activity and other slippage on system financial recovery plans; Prescribing and Mental Health & LD out of area placements. JL continued the latest acute activity information (as at M11) has confirmed the significant adverse movement reported at M11 (based on M10 activity information). The PBR currency was not going to work during the Covid-19 outbreak so the CCG came to a pragmatic settlement with acute providers, this has given us a clean slate for the new financial year. ST advised this was in-line	

	Item	Action
	with national expectation and we should be managing this whilst we manage the covid-19 response. JRu asked after out of area placements and why the placements are going up as the CCG thought they were going down. JL reported they have flat lined so they didn't come down at the rate we thought. ST added there are empty beds in AWP and ensuring that coming into recovery we have the services in place so we don't create that coming forward.	
4.1	**To review progress on setting Integrated Care System budgets and financial governance arrangements** - **Review of impact of Covid-19 on CCG budget** A paper was submitted to the committee prior to the meeting. JL highlighted the paper content and answered the following questions: JL reported it was currently too early to join conclusion on CCG financial position in regards to Covid-19, we have had no change to allocation but there will clearly be changes from a cost perspective. We are expecting there to be a reconciliation exercise to tally up gains and losses which, will be difficult. JL continued the CCG are alerted to the fact the block contracts with the acute providers have been set–up nationally and there is no short-term relationship between the NHS provider accounts and the CCG accounts, so financial implications are not playing through so we are losing sight on provider financial positions. That said, the Local Authorities (LA) have a greater need for financial support and better than ever transparency about their positions and the CCG's, which we are trying to capitalise on. ST added The acute providers are getting source straight from NHSI, which is why we have lost site from a CCG prospective. JC asked is the partnership working. ST reported the CCG have maintained our system engagement and system partners want the engagement as-well. JL interjected it has highlighted how vulnerable the LA funding is. JRu asked about the block contract numbers and if was reported for activity. JL confirmed no, it will be actual expenditure on M1-9 of last financial year plus inflation. JRu asked will this be the same this year. JL answered Yes, until M5 for 4 monthly payments. JRu further queried the money flow will be for this. ST advised that is a material risk and the CCG's worry is about the recovery rather than the incident, we're not really sure what will happen to allocations for this year. This week we'll get more information from the national finance team.	

	Item	Action
	JC asked about true provider costs and tariffs and is it too early to say if there will be sensible/reasonable change. JL advised the 'normal' won't fit where we will be in recovery. ST added there is recognition that this will take years for the NHS to recover from and therefore we're thinking about this model already. JRo commented it was all massively un-known right now. ST advised there could also potentially be changes in prescribing spend. JL also added when the CCG set the plan we had the system savings as £14.4m and this was held by the CCG, but as we've moved to a block environment they are still sat with the CCG. JRu asked are the additional costs being tracked ST confirmed, whilst we're in Covid. We might not have changed patients back to the old regime so this can create a long term issue. JRu asked can we claim that. ST confirmed, this is the discipline we are trying to track and we also have weekly regional DOF calls. JC asked about commissioning plans for the Nightingale Hospital and the CCG's involvement. JRo reported there's a number of options on the table for how we utilise nightingale, it will be available until the end of the financial year. It has an immediate impact in its own right and a longer term impact. ST added there are discussions about the legacy we need to leave as there is analysis that SW has a lower number of critical care beds, we need to recognise that and ensure the analysis is different needs for different populations.	
4.1a	- **Review of impact on Covid-CCG System Financial Recovery Plan** A paper was circulated prior to the meeting. SR highlighted some of the paper content and answered the following questions: £26.4m savings identified which is offset against the initial £38m target. Projects are paused so there will be impact on their delivery for 20/21. 50% of the projects are at risk, so the team are meeting on a monthly basis to ensure there is some good understanding. JRo asked after the projects that are paused and delayed, is there thinking behind the impact of delay. SR advised the CCG haven't been able to do this assessment and we will be looking at this shortly. JC asked in terms of Sirona and integrating are there other implications around this SR advised the CCG know we have been able to put a number on the impact of community services prior to Covid-19. The new models of working should benefit us as a system but would be hypothesis. ST added	

	Item	Action
	there has been some acceleration of these new models, so for example some of the MSK have been stepped down but the locality team has been accelerated. SR reported the transformation plan will be on the next meeting's agenda. JRo noted the CCG shouldn't be naïve about when we get back to negotiations about system savings etc. JC added it had been helpful to have the level of detail and that there isn't that much delay given the circumstances. **Capital Planning:** JL tabled the paper for the committee and advised it was for information only. The highlights were as follows: - Capital budget for STP we're seeing here another phase of the system working agenda. - However, this doesn't yet affect Non-NHS provider capital budgets including Primary Care. JRo asked does this include anything around Sirona. JL advised No, which we have picked up in deputy group and the implications we need to reflect on. JC asked does it seem different to what it has been previously ST advised most of the estate in Primary Care and Community is owned by Estates so we have asked the deputy group to have a first look at this and the challenges and questions to feed back up the line. ST reported this will be re-submitted to the committee once we have a clearer understanding.	
5.0	**GBAF & CRR** Both items were noted by the committee. JC noted there are 3 new risks highlighted that were not unexpected in terms of the content (covid-19). JRu asked is there a risk for our workforce. ST advised we have a BNSSG CCG Workforce cell and this also includes a wellness group so we are touching base with staff a lot. JC asked in terms of remote working what do we think the timescale is for this. ST advised we are thinking about the social distancing and having some people in South Plaza and what would the maximum be for the amount of people within the office but this would all be aligned to Government guideline.	

	Item	Action
	Key Messages for Governing Body • The finances have been particularly challenging all year and we have for some time been forecasting to be significantly off plan. • Good progress on long term plan had been made but 2021 planning round is paused for now. Update provided indicates significant challenges to delivery as some significant tranches delayed as a result of Covid 19. Scope for efficiencies for long term plan requires further work in any case as we are short of target. • Updates on integrated care system budgets and financial governance arrangements. Challenges around decoupling of some parts of provider finances but generally very good ongoing collegiate working. • No further update on likely financial landscape at this stage but our expectation is that we are very unlikely to return to the system that was previously in place • CRR and GBAF reviewed and considered appropriate **SR – RECOVERY FOR NEXT AGENDA/SFC.**	