

Strategic Finance Committee Minutes of the meeting held on Wednesday 31st July 13:15-16:00, Executive Boardroom, South Plaza.

Minutes

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

	Item	Action
02	Declarations of Interest As per the declaration of interest register	
03	<ul style="list-style-type: none"> • Minutes from previous meetings Minutes were confirmed to be true and accurate. • Action Log and Matters Arising The action log was updated accordingly. 	
04	<p>Month 03 Finance Report (M3)</p> <p>The report was circulated to the committee prior to the meeting. JL highlighted the following areas: Year to Date financial position is a £3m deficit in line with £12m annual planned deficit; however this was only achieved due to the release of a £1.25m one off benefit related to the prior year Acute contract performance. Without this the position would have been £1.25m adverse, the primary driver of the overspend is on Continuing Healthcare, subject to a deep dive appendix to the main report.</p> <p>The CCG is forecasting delivery of the financial plan for the year as at Month 3 (June 2019). This is based on limited actual information to-date for the main areas of variable expenditure, so it is too early to see emerging trends – Acute contracts, Out of Area Mental Health placements, Prescribing, CHC</p>	

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	<p>and Primary Care. However the risks to delivery have escalated. £3m net additional risk was reported to NHS England. Further detailed review and information received since the close down of the monthly accounts indicate a risk level of £10m.</p> <p>DES stated in regards to Mental Health (MH) there is a communication issue, and Local Authorities are saying about increased investments. DES asked with this in mind is it possible (in terms of the deficit) there is a real increase in MH this year? ST confirmed and elaborated that as part of the System Finance Recovery Plan the CCG removed funding for Core 24 because they could still meet Mental Health Minimum Investment Standard. In fact the deficit is in part driven by overspending on Mental Health services. DES asked if the Transformation Directorate could have sight of this information to share. It was agreed that a deep dive into Mental Health overspends should be brought the committee next month. Action: JL to request</p> <p>CHC Deep dive update: A Paper was circulated prior to the Committee for the CHC deep dive update. JL highlighted the following areas.</p> <ul style="list-style-type: none"> - Growth in Bristol due to volume of cases coming through. - Significant growth in high cost cases, notable Mental Health and Learning Disabilities related, and in Bristol and South Gloucestershire areas. <p>JRu asked what the root cause of this was. JL advised the CCG have asked to understand how the patients care was being provided with a focus on Mental Health & Learning Development placements. JRu asked if this was an issue for other CCG's? LM confirmed it was. ST advised this analysis main driver is complex packages. There has not been a significant increase in added patients but cost of packages has increased, which raises the question on who is getting CHC funding? JRo concluded the CCG require more information on the massive spike year on year.</p> <p>JRU concluded the paper has asked the Committee to note the current position of CHC. The Committee have asked for further action to be taken to mitigate the risk and report back to next meeting of SFC. ST to speak to Jan Baptiste-Grant (DoN) ACTION</p>	<p>JL</p> <p>ST</p>

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05	<p>Single System Plan Update A presentation was circulated to the Committee prior to the meeting. JL highlighted the following areas:</p> <p>The CCG has developed a 5 year financial plan based on assumptions since the Long Term Plan Implementation Framework has been published. This provided key assumptions for price inflation, and for investment levels required in Mental Health and Primary & Community Services.</p> <p>With this in mind the CCG have taken the assumptions and worked them forward for 5 years. The starting point was the £21m deficit described last month.</p> <p>ST interjected the CCG have seen acute growth at 3.6% and the CCG need to achieve half this rate to return to financial balance.</p> <p>JL advised the £5m of underline deficit is NSCO cost pressure on drugs, this model allocates it to prescribing therefore it is not reasonable to assume other parts of the system to pick this up. JRu asked if this approach will be successful. JL advised there is no assurance but it was the best planning assumption at this stage.</p> <p>JRu queried if there are any models of the plan that delivers. ST confirmed steering groups are working on this for the end of September. ACTION- SFC update paper to be produced following this work JL/ST</p>	JL/ST
	<p>System Financial Recovery Plan and CCG Savings A presentation was circulated to the Committee prior to the meeting. SR highlighted the following areas:</p> <p>- Overall update</p> <p>SR reported the headlines from the 2018/19 final month 12 report where the final savings delivery was £0.9m higher than previously reported. This was driven by increased medicines optimisation savings. The CCG has captured lessons learned from the 2018/19 process and these were shared in the enclosed report. JRu asked how the lesson learned are now being acted upon. SR explained that there is constant development however a visible demonstration that savings delivery needs to be owned by the system (a key theme from the lessons learned) is through the System Financial Recovery Plan that is overseen by the Healthier Together Exec Group and Partnership Board.</p> <p>SR then presented the month 3 position for the current 2019/20 financial recovery plan which is forecasting savings delivery of £35.3m against a target of £41.4m. There was discussion around the confidence intervals for planned care projects and what actions need to be taken across directorates to further support this work. JRo stated the CCG are recognising a challenge that needs addressing and how we address the issue. JL & LM to pick up</p>	

	Item	Action
	<p>how Savings Plans are integrated into Finance wide reporting – ACTION. JRo further added the delivery of financial savings is the highest priority for the CCG this year. ACTION – SR to deliver this message BNSSG wide.</p> <p>- Mental Health</p> <p>CS presented to the committee progress on the Mental Health projects and highlighted the following areas:</p> <p>The approach for the CCG team is to focus on where we can improve care, streamline pathways, and gain benefits across the system as well as identify savings. The projects are jointly managed and delivered with other agencies or organisations.</p> <p>The 2019/20 ‘Rehabilitation Review’ work involves stepping down of patients in existing pathways into community. The key risks to delivery around this are around capacity, investment agreements and implementing the change.</p>	<p>JL/LM</p> <p>SR</p>
	<p>Incentive Schemes</p> <p>A presentation was circulated to the Committee prior to the meeting. SR highlighted the following areas:</p> <p>A discussion took place updating the Committee on the feedback from discussions with locality teams and with some practise managers involved in Primary Care Network and Locality Provider Alliance development work. Two areas for focus had arisen which was to be clear on the process for Locality teams to development invest to save business cases with the CCG, and the level of risk the CCG was prepared to accept in the event that one locality received incentive proposals and other localities overspent. The Committee agreed in principal to support the development of Incentive Schemes for PCNs and Localities.</p>	
	<p>Review of Key Messages for Governing Body</p> <ul style="list-style-type: none"> - The CCG finances are under-performing and concerted management attention and focus is required to get back on track. 	