

Strategic Finance Committee Minutes of the meeting held on Wednesday 24th April,
16:30-18:30, Marriot Hotel, College Green, Bristol.

Minutes

Present		
John Rushforth	Strategic Finance Committee Chair	JRu
Sarah Truelove	Deputy Chief Executive/Chief Finance Officer	ST
Lisa Manson	Director of Commissioning	LM
Jonathan Hayes	Clinical Chair	JH
Helena Fuller	Deputy Director of Commissioning	HF
Robert Moors	Deputy Chief Finance Officer	RM
Julia Ross	Chief Executive Officer	JRo
Jonathan Lund	Deputy Chief Finance Officer	JL
Steve Rea	Associate Director of Programme Delivery	SR
Apologies		
In attendance		
Presenters		
Emma Moody	Head of Contracts Mental Health and Learning Disabilities	EM

	Item	Action
02	Declarations of Interest ST declared an interest in item 08.	
03	<ul style="list-style-type: none"> • Minutes from previous meetings The minutes were approved. • Action Log and Matters Arising The action log was updated accordingly. 	
04	CCG Month 12 Financial Report The report was circulated to the members prior to the meeting. ST highlighted there was no significant changes from M11. JRu commended the Finance Team for their work.	
05	System Finance Recovery Plan SR commenced by updating on 2018/19 savings delivery and noted that whilst month 11 had reported a risk assessed forecast outturn of £29.3m, the month 12 forecast is now £28.5m. The net deterioration of £0.8m is predominantly due to the reduction in savings forecast for the Rapid/REACT project within the Urgent and Community Care Control Centre where the monitoring methodology has recently been revised following 2019/20 contracting discussions. In-month reductions in the section 117 and musculoskeletal projects were also noted. SR stated that the final 2018/19 savings position will be reported in June once month 12 actual datasets have been received.	

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	<p>Moving onto the 2019/20 plan SR confirmed that a savings plan of £38.5m had been submitted within the CCG’s financial plans at the start of April. This comprises of £30.3m identified QIPP and £8.2m currently unidentified. SR noted the table included within the report that provided the committee with further information on the newly identified savings since last month’s report.</p> <p>JRo asked if the CCG have done any sensitivity analysis on the numbers? SR advised that all project and finance leads are required to risk assess their planned savings. In addition a better use of benchmarking and the evidence bases for change projects gave greater assurance that the plans were achievable. JRu commented that there have previously been some slow start-ups and are measures in place to ensure projects start according to plan? SR confirmed that the PMO has been working closely with Control Centres to ensure plans have well defined timelines and project leads are clear on the actions to be completed to enable delivery. JRu asked what assumptions the CCG are making about medicine cost pressures given challenges last year? ST answered the CCG have recurrent funding within the plan to account for pressures seen in 2018/19. JRu further asked if the CCG have funded more growth within prescribing? ST advised that we have planned in line with recent trend analysis and are confident that the numbers are accurate. JL asked whether Control Centres have been set additional savings targets given the level of unidentified savings? SR advised that whilst we have an indicative view of how the savings requirements should be apportioned based on overall programme spend, these haven’t been set as formal targets. However SR did say that since writing the report additional savings opportunities have been noted within the Planned Care and Primary Care Control Centres.</p>	
06	<p>System Financial plan and Budgets for 2019/20</p> <p>ST introduced the presentation by advising there had been a meeting with regulators and updates have been provided through internal meetings. There has been recognition that financial recovery will take longer than the one year and the STP needs to develop a financial recovery plan over the next few months. ST said will try and tie in with development of Long Term Plan due in the Autumn However the plan will need to demonstrate improvement during 2019/20.</p> <p>JL continued with the presentation and advised the system financial gap is £21.5m. The CCG have submitted plan of £15m deficit and providers have all met their control totals, however there is an alignment gap for acute SLA’s. The gap was £8.8m as of the 23rd April 2019.</p> <p>JRU asked if the numbers are realistic. ST answered Reasonably but the providers don’t have completely heroic saving plans, and though they are challenging they are achievable.</p> <p>JL continued with the presentation advising collectively providers are at a £44m deficit. The CCG recognise there is an alignment gap and regulators have asked for this gap to be landed somewhere. ST advised the CCG</p>	

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	<p>would try to land the gap or present issues, which will need mediation. ST added the £8.8m is feasible to resolve locally.</p> <p>JRu asked do we look for less activity or lower quality. JRo commented the regulators pushed on urgent care growth and how much we feed into that. JRO further asked Did the regulators offer non-recurrent funding. JL answered potentially, but the CCG need to get the £8.8m locked into contracts and a financial recovery plan developed first.</p> <p>JL continued to advise the PSF providers have signed up to £51m extra income. The pressure from provider sector is higher and the CCG do not have the same financial incentive. ST added the danger is the providers will back away from the actions to bring down the £22m deficit so the CCG need to ensure the providers have shared responsibility.</p> <p>JL further highlighted the 2019 action plan to close financial gap encapsulates a number of high impact changes which will have a financial benefit to the system and some service redesign, enhancing financial controls. JRu asked What does that mean for the system? ST answered that changing it so it's a system financial control will ensure there is a system view of any investment.</p> <p>JL noted there were opportunities for benchmarking, and there has not been much focus on this throughout the years. JL confirmed that this needs to be reviewed as a system and this should get us clinical engagement. SR added the have a draft Right Care plan in place and local analysis of these opportunities.</p> <p>JL concluded the challenge is to turn this into a robust action plan for delivery and the regulators set this target yesterday.</p>	
07	<p>Running Costs for 2020/21</p> <p>The updated paper was circulated to the Committee prior to the meeting. RM highlighted the following areas: RM advised currently there is £700K of adjustment to the Allocation that cannot be accounted for and the National Allocations team have been contacted to try and identify what this relates to. ST advised the CGGC are targeted to save £2.1m or without the £700K it would be £1.4. The CCG have initiated discussion with its Central Services provider to assess saving opportunities in the services that they provide..</p> <p>JRu asked the cost of these services had reduced when the CCGs merged and ST confirmed there was no change to the contract value.</p> <p>JRo added there are services that can be taken back to 'in-house' and this will be reviewed with the Executives in a few months' time.</p>	
08	<p>Community Services Procurement Closed Minutes</p>	
11	<p>Review of Key Messages for Governing Body</p> <ul style="list-style-type: none"> - System - Delivery of 18/19 	

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12	Any Other Business <ul style="list-style-type: none">- TOR- Tweaks to wording for 19/20 (TOR)- Take our QIPP plan- (Agenda for the ToR to come back in a couple of months time).	