

Strategic Finance Committee Minutes of the meeting held on Tuesday 30th October 2018,
11:00-13:00.

Meeting Room B, South Plaza, BS1 3NX

Minutes

Present		
Peter Marriner	Strategic Finance Committee Chair	PM
Deborah El-Sayed	BNSSG Transformation Director	DE-S
Rob Moors	Assistant Chief Finance Officer	RM
Sarah Truelove	BNSSG Chief Finance Officer	ST
Paul Edwards	BNSSG Interim Deputy Director of Commissioning	PE
John Rushforth	Independent Lay Member – Audit, Governance and Risk – attended for the decision process on items 7,8 and 9	JRu
Apologies		
Julia Ross	BNSSG Chief Executive Officer	JRo
Jon Hayes	BNSSG CCG Chair	JH
Lisa Manson	BNSSG Director of Commissioning	LM
Mike Vaughton	BNSSG Deputy Chief Financial Officer	MV
In attendance		
Paul Edwards	BNSSG Interim Deputy Director of Commissioning	PE
Steve Rea	BNSSG Associate Director of Programme Delivery	SR
Cintia Faria	BNSSG PMO Programme Delivery Manager	CF
Glyn Howells	Director	GH
Debbie Campbell	Deputy Director (Medicines Optimisation), BNSSG CCG	DC
Kate Davis	Kate Davis Principal Medicines Optimisation Pharmacist, BNSSG CCG	KD
Katie Parlour	Programme Officer (Medicines Optimisation)	KP
Vicky Ledbury	Community Services Transition Manager	VL

	Item	Action
02	Declarations of Interest No interests were declared.	SS
03	Minutes The minutes from the previous meeting were agreed and approved. Action Log The action log was updated accordingly.	
04	Month 6 Financial Report	

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	<p>ST commenced the presentation highlighting the planned deficit of £10m in 2018/19 to achieve the Control Total set by NHS England. If this is achieved Commissioner Sustainability Funding is earned of £10m bringing the overall position to breakeven. ST continued that at month 6 the programme expenditure position now includes the forecast overspend from undelivered savings. This adverse position has been mitigated by release of uncommitted reserves in both the year to date and forecast positions</p> <p>ST continued that non-elective admissions have increased by 9.5% overall on the same period in 2017/18 and 13.8% at NBT. The significant increase in short length of stay admits (0-1 days) continued in August at NBT. An activity query notice (AQN) has been raised with the Trust to help understand the reasons for the increasing activity.</p> <p>PM asked if NBT have stated their reason behind the increase. PE advised that NBT have not reported significant changes to services or reporting methodologies so a meeting has been arranged to discuss and conclude.</p> <p>ST reported that at month 6 the CCG is now showing a net risk position of £5.6m. This reflects advice from NHSE that central funding will not be provided to mitigate the No Cheaper Stock Obtainable (NCSO) pressure within the Medicines Optimisation budget.</p> <p>PM noted some of the financial allocations are non-recurrent and we need to plan for these moving forward. ST agreed but confirmed that there are no concerns as Healthy Weston funding is supporting non-recurrent spend and the Care Homes funding plans to deliver an overall net saving to the CCG. PM commended all for their work.</p> <p>ST continued to outline the STP overall finance position. In Quarter 2 most organisations are forecasting they will achieve as predicted. Weston’s plan is challenging and has not achieved their Q2 target and this has resulted in them not receiving their provider sustainability funding.</p> <p>PM asked if the discussions with providers have been transparent in regards to their risk. ST confirmed the BNSSG Directors of Finance have open discussions regarding risk but noted discussions are still taking place within the individual organisations’ Boards regarding level of risk.</p>	
05	<p>2019/20 Planning - Payment reform proposals</p> <p>ST talked through the single plan budget and confirmed the agreement in principal that a single system plan would be produced for 2019/20. The System Delivery Oversight Group is currently working through the key risks for the plan. Agreed priority areas for 2019/20 are addressing urgent care, workforce and the system’s financial challenges. ST continued to advise the</p>	

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	<p>CEOs across system have agreed further work is a necessity on urgent care in the context of developing a single system budget.</p> <p>DES recommended the payment implications are reviewed now so the budget can be implemented from the outset.</p> <p>PM asked if the timescales and information will be available to capture the impact of new services impacting on the urgent care system such as the IUC CAS, DES confirmed the work is already taking place. ST also advised that new service developments such as the REACT expansion at NBT and UHB have already started and work is underway to quantify the impact of other services in development, such as frailty.</p>	
06	<p>System Financial Recovery Plan to include deep dive into Medicines Optimisation</p> <p>A paper was submitted to the Committee prior to the meeting.</p> <p>DC gave an overview of current projects that are taking place with RAG ratings. The one project that has reduced financial projections is the Self Care project. This is similar in other areas, with learning that this project is going to be a slow, long term change that requires behaviour change of patients and clinicians. A communications programme has been planned throughout the year to continuously spread the self-care message and target appropriate areas. The Optimising Primary Care project is over performing and making up short fall of the self-care project, so overall current position is on track for planned savings.</p> <p>DES suggested doing a deep dive and shape initiatives required about behaviour change and the team linking in with the Communications team to achieve this.</p> <p>PM asked if DC thought the target set of £9.6 m is achievable. DC responded that the £9.6m target was unlikely to be achieved and the plans in place total £7.9m and that this is the realistic end of year position.</p> <p>Regarding 19/20 plans in progress, ST asked after the High cost drugs savings that seem low from what had been described regarding potential price reductions against actual spend. This has been modelled against a 40% price reduction, with a 50% gain share and factoring in a patient switching programme throughout the year. Price reductions could be in region of 60%, but a reference cost will be in place (which will have a built in margin for trusts) from April 19 and passed through to CCGs. It will be up to CCGs whether they provide further incentives to trusts over and above the reference cost. This will not be known before Dec 1st. DC discussed how larger incentives for the last 4 months of this year may expedite switching</p>	

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	<p>and deliver greater impact than in 19/20. Currently modelling savings based on different scenarios with BI and this will be completed by asap. DC mentioned that she would like to see some of the savings invested in funding further embedded pharmacists/technicians to work across all trusts (NBT and WHAT currently no investment, the CCG fund role with NHSE at UHB and has made a positive impact) so that we have capacity across all trusts to do this work and further similar pieces of work at pace in the future. Some of the other planned projects, such as Lifestyle changes and PPI project are 'slow burns' and will show long term benefits that link to behaviour change.</p> <p>PM – Commended and thanked the MO team for their achievements to date.</p> <p>System Financial Recovery Plan</p> <p>At month 6 there are a total of 74 individual projects contributing to the delivery of the CCG's SFRP. Since last month there has been one addition within the Mental Health and Learning Disability Control Centre (CCG000336 - Performance Improvement Efficiencies on Mental Health Contracts). Month 5 forecasted a risk assessed delivery of £28.1m and month 6 is now forecasting £28.3m. Therefore, there has been a net £0.2m improvement since last month.</p> <p>SR continued to highlight as part of the planning process for 2019/20 the CCG needs to identify the areas that will contribute to the savings plan next year. Whilst the scale of the financial savings challenge (our QIPP target) is being quantified, it is expected to be of a similar scale to 2018/19.</p> <p>RM asked after the changes to tariffs for next year and if the CCG needs to be aware of any technical changes that could have a significant impact for next year. SR agreed that proposed changes, such as the blended tariff approach for urgent care, would have an impact however in the first instance the most important thing is for Control Centres to quantify the impacts of their plans in terms of activity. The resulting impact on finances could then be better applied when national guidance is provided on tariff changes.</p> <p>PM asked that the SFC could receive a updated listing of projects for 2018/19 and 2019/20 showing their position as at the half year (month 6)</p>	
07	<p>Review Planning/Contracting for 2019/20 to include Commissioning intentions</p> <ul style="list-style-type: none"> • Community Procurement <p>A paper was submitted to the Committee prior to the meeting. GH highlighted that the Governing Body has decided not to procure children's community health services at this time and has delegated authority to the Strategic Finance Committee to make decisions about any changes to children's community service contracts to support a sustainable service model.</p>	

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	<p>PM asked when the contract for NSCP would be terminated. GH confirmed that at least 12 months' notice would be given, in line with contractual obligations.</p> <p>PM noted the decision delegated to the Strategic Finance Committee regarding children's community health services which would need to be considered in mid-2019 once the outcome of the main community procurement was known and this to be included in the forward workplan for 2019/20.</p> <p>With regards to block contracts spanning a number of years PM asked what checks are in place to ensure the CCG can realise savings and efficiencies from these in future years? GH commented that annual efficiency requirements will need to be demonstrated in providers' bids. In addition, ST noted that the national payments team will be attending the next STP Directors of Finance meeting and further insight will be sought regarding the future of community contracting moving forwards.</p> <p>GH asked the committee about the "pass / fail" criterion linked to the financial envelope of the community contract and whether a firm upper limit would be imposed, meaning bids in excess of this would not be considered. ST suggested keeping the pass/fail scoring mechanism but recommended a +3% tolerance is allowed and then during the negotiation phase there would be a conversation as to how a bid could get back within the envelope.</p> <p>The SFC supported the procurement and this additional principle and for it to be included in proposals to the Governing Body.</p> <p>JRu – commended the paper.</p>	
08	<p>Transformation update</p> <ul style="list-style-type: none"> • IAPT Procurement <p>A paper was submitted to the Committee prior to the meeting.</p> <p>PM asked for clarifications relating to the service implications, cost and budgetary implications.</p> <p>It was discussed that the Procurement timeline should include the dates of the SFC meetings at the relevant points of the process, prior to contract award. These should be for information and update to the Committee and for approval prior to contract award. ACTION</p> <p>It was confirmed and agreed the recommendations of the Commissioning Executive for a ten year contract with a three year contractual break clause. The committee also approved the decision to increase the annual investment</p>	PR & IP

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	<p>in IAPT by £1.6m from 2019/20 with the expectations on increased access rates and associated recovery rates. The SFC supported the IAPT procurement to continue to Governing Body on 6th November.</p>	
09	<p>Healthy Weston – Financial Evaluation of the Options The paper was circulated to the committee prior to the meeting and the following questions were raised: PM asked if it was likely the capital required for each project will be available. ST confirmed that the DOFs in making their recommendation to the steering group had highlighted the risk associated with availability of capital.</p> <p>SFC supported the recommendations within this document and for the paper to be placed before the Governing Body.</p> <p>It was agreed that PM and JRu would meet with the Healthy Weston Team for a full brief on the project. ACTION</p>	
10	<p>The forward work planner The planner was reviewed and is due to be updated with the actions as specified above.</p>	
11	<p>Messages for Governing Body:</p> <ul style="list-style-type: none"> - Financial results for M6 including reporting of the unmitigated risk linked to NCSO. - Control Centre progress and the improved forecast outturn position. - Deep Dive from Medicines Optimisation and the confidence given with regards to the 2018/19 position and developments planned for 2019/20. - Healthy Weston – focusing on the financial evaluation criteria that have been completed. - Community Procurement and the understanding that the SFC will enact its delegated authority mid-2019 regarding the children’s community health service options. - IAPT progress and approval given for the paper to go to November’s Governing Body 	
10	<p>AOB:</p> <ul style="list-style-type: none"> - The Corporate risks were reviewed as information only. - Governing Body Assurance Framework was reviewed as information only. - Digital Strategy to be shared with SFC – ACTION 	