NHS
Bristol, North Somerset and South Gloucestershire
Clinical Commissioning Group

Strategic Finance Committee Minutes of the meeting held on Friday 27th November 2020, 15:00-17:00, via Microsoft Teams

Open Minutes

Present		
*John Cappock	Strategic Finance Committee	JC **Chair**
*John Rushforth	Deputy Chair and Lay Member for Audit, Governance and Risk	JRu
*Sarah Truelove	Deputy CEO & Chief Finance Officer	ST
Attended		
Lisa Manson	Executive Director of Commissioning	LM
Jonathan Lund	Deputy Chief Finance Officer	JL
Cintia Faria	Programme Delivery Manager	CFa
Helena Fuller	Deputy Director of Commissioning	HF
Deborah El-Sayed	Executive Director of Transformation	DES
Debbie Campbell	Deputy Director (Medicines Optimisation)	DC
Kate Lavington	Head of Transformation (Integrated and Urgent Care)	KL
Julie Kell	Head of Performance Integrated Care	JK
Sarah Carr	Corporate Secretary	SC
Chris Flook	Head of Finance - Acute	CFl
Luke Baynes	Executive PA (Minute Taker)	LB
Apologies		
Jonathan Hayes	Clinical Chair	JH
*Julia Ross	Chief Executive Officer	JRo
*Brian Hanratty	Clinical Lead	BH

*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.	
3.0	**Declarations of Interest** There were no new declarations of interest	
3.1	**Open and closed Minutes from previous meeting** The minutes for the open session had been circulated to the Committee in advance of the meeting and were approved.	

	Item	Action
3.2	**Action Log** The action log items were reviewed and updated accordingly. JRu commented it may be premature to hold an Audit Chairs meeting at this time. ST agreed should wait until more was understood from the Integrated Care Systems paper published by NHSE/I last week. This would be discussed at Governing Body seminar next week. She also commented that the Directors of Finance had met with Dorset ICS the previous week, and one of their key learning points was to involve Non-Executive Directors, including Audit Chairs, and Foundation Trust Governors at an early stage. It was agreed to keep the item on the Action Log	
3.5	**2021/22 Financial planning** ST gave the context of the paper that was circulated before the meeting. There is different financial framework for 2021. We are unlikely to financial allocations for 21/22 until late Q4. We need to take reasonable assumptions and get on with planning. This is in keeping between the Long Term Plan (LTP). JL summarised that we revisited the LTP to take account of how we set the Operational Plan in March, and using that operational plan built into phase 3 plan and how we exit this year. The refresh of the long term plan has taken into account gaps against the control totals set by NHSE/I. The latest plan meets the requirements of the Acute Services Review; it will require, as yet unidentified, cash releasing efficiency savings in AWP; the plan was balanced recurrently by 22/23 but there was still a £5m non recurrent gap in 21/22. JC asked what is the confidence in being able to deliver the Acute Services Review and has the challenge been put to University Hospital Bristol and Weston (UHBW). JL answered that we are reviewing the Acutes services and a system with has been signed off at exec level to mitigate that. Holding back growth is the only baseline assumption we can make at this time. JRu inquired how does allocating less growth than available how does apply when the people still come through and costs are occurred.	

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	ST said this is setting our parameters where our transformation needs to focus. This is the first step of saying these are the parameters and are we comfortable with these. JRu suggested this sounds like the setting of targets rather than the setting of budgets. JL highlighted that in slide 8 of the presentation the summary of the LTP refresh shows the growth assumptions in percentage terms, to demonstrate how investment was being increased in out of hospital services, notably Primary Care, and this should impact on hospital services demand. JRu was concerned that we set these as budgets but when there are overspends we are penalised for deficits but there is not a lot we can do. ST we have to be happy that we are setting this as parameters for now so we can work on setting the budgets. We are looking at 21/22 will be a hybrid year of bridging as back to where we ought to be. LM added that one of the other dynamics in this we need work with this to move the conversations on to what the real costs are, as opposed to the tariff or the income. JL explained that there is a section on the structural deficit that system has this setting a baseline trajectory of clinical envelopes of the CCG to live with the resource envelope we have. The structural issues we have are significant. This is laying the ground to have a debate with the regional and national team on the ask of the system, and where will be with this financial year compared with the rest of the LTP. We are currenly forecasting £23m per annum more than assumption in the LTP going into the new financial year. When we reconciled this there is £11.5m which can be attributed to new national cost pressures which we could reasonably expect to be funded nationally. And there is the cost of £8.5m that the providers have not had to make efficiently saving this year. The expectation in the fullness time that these savings will be made. When the savings do deliver we will be back on track with the LTP. ST added these are not unreasonable assumptions as the national call suggested £1.5bn of new NHS 21/22 Spending Review funding is for existing pressures to recognise that the NHS has not reached the efficiency that was expected this year due to Covid. JC asked when we expect greater clarity. ST explained the aim of the national call yesterday was to give work out envelope in January, but with the final financial envelope in March which is	

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	at the end of Q4. The January prediction should be give us something to enable to do our planning.	
4.0	**CCG Finance Report M7** The CCG is reporting an YTD deficit against the prospectively adjusted allocation of £12.7m. This can be attributed to the following factors: 1. £4.5m adverse M6 Covid costs. £17.0m direct Covid-19 response costs to date off-set by an allocation adjustment of £12.5m covering M1 to M5; 2. £4.0m adverse M7 retro reimbursement items, £3.7 HDP and £0.3m ISTC. 3. £4.2m adverse Technical & Accounting issues with the prospective baseline set by NHS England and mainly relate to service transfers between providers, beneficial impact of non-recurrent allocations relating to 2019-20; and creating provisions for new 20/21 Service Development Funds announced by NHS England. JL gave a brief overview of the paper that was circulated prior to the meeting. JRu asked what assumption is made about the level of savings. JL responded we set up the budget of 0.5% contingency so the in year saving requirement is not great and can be mitigated. ST added that we are not assuming in the individual month that by March the run rate of savings as we go into the recurrent position.	
4.1	**System Finance Report M7** SDOG will be maintaining delivery oversight of the Phase 3 Plan. The components being reported fortnightly to SDOG to ensure the system has a clear view on delivery are: 1. Reporting on actual activity levels compared to plan trajectories. 2. Reporting, by exception, on delivery of the agreed mitigations and system change activities supporting Phase 3 recovery trajectories. Note – no exception reports for Planning and Oversight to note within.	

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	3. System financial position at month 7 JL gave a brief overview of the paper that was circulated prior to the meeting. JRu enquired how the run rate of saving looking for next year. ST explained that they have not had to deliver their efficient requirement in 20/21. It is funded non-recurrently next year but we have to get back on track for 22/23. JC asked if the report will go up into other organisations. ST proposed this might be taken to Partnership Board and will be talking at DoFs to see if people are taking it through their SFCs	
4.2	**CCG Savings Reports M7** This paper provides an update to the 2020/2021 CCG savings plan following the reset for Control Centres target last month as part of Phase 3 planning. At month 7 (October 2020), we are reporting FOT of £7.4m against £9.2m target. £1.6m of the £1.8m gap arises from unidentified savings plans compared to target savings required within Mental Health, Medicines Optimisation and Complex Individual Care Control Centres. The PMO team will continue to work with Control Centres and coordinate monthly deep dives to support the relevant leads with their respective mitigating actions as appropriate. CF gave a brief overview of the paper that was circulated prior to the meeting. Asked committee for feedback for future reports. JRu suggested a trajectory on the run rate would be helpful.	
4.3	**Quarterly deep dive** **- Medicine Optimisation** DC gave a presentation on the medicine Optimisation which was circulated before the meeting.	

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	ST noted that we cannot count the high cost drugs savings of this financial year as a CCG because we are not going to get the cost savings returned to the CCG. However, these are genuine savings to the system, therefore we really do need to revisit what we are counting against these. JL responded that if these savings show the net of the growth in high cost drugs then this could be considered at system level. When we were reviewing accounts we will see if there is an overall reduced spend in the hospital. JC there is a big cultural change in heart and it is good to see the progress.	
4.4	**To review progress on setting Integrated Care System financial governance arrangements** ST gave an update on the paper that was circulated prior to the meeting. The work programme with the aim being to describe the financial framework by February and to partnership board in March. Making arrangements that fit together. Building on the work we have done through phase 3. The positive is the real traction in the Deputy DoF meeting and the system planners working together. The next thing is the approach of financial planning for next year we are expecting to have something that DoF next Friday to bring it all together for all organisations.	
5.0	**Key Messages for Governing Body** Finances are showing a reasonably stable and reassuring position. We have clarity around the planning guidance in place for the remainder of this financial year, however 2021/22 would benefit from greater clarity. The Exec team is working with the regional team to influence this outcome and is working to assumptions that the Committee agree are reasonable. These particularly articulate the direction of travel favouring out of hospital at the expense of acute services. Conversations with the regional team include seeking to address structural deficits. The Committee also received regular CCG, System and savings reports and welcomed the progress reported in the quarterly deep dive into Meds optimisation.	

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	The Committee also received an update on integrated care systems financial governance arrangements, which is proceeding satisfactorily	