Bristol, North Somerset and South Gloucestershire Clinical Commissioning Group

Strategic Finance Committee Minutes of the meeting held on Friday 03rd April 2020 (March meeting), 13:00-15:00, Microsoft Teams (Online)

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 – Attendance 13:30-14:30
Attended		
Jonathan Lund	Deputy Chief Finance Officer	JL
Kate Lavington	Head of Transformation (Integrated and Urgent Care)	KL
Greg Penlington	Head of Locality - South Bristol	GP
Sarah Carr	Corporate Secretary	SC
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	
Steve Rea	Associate Director of Programme Delivery	
Helena Fuller		

*Members of Committee who make-up quoracy.

	Item	**Action**
	This months meeting was held via on online Video Conference due to the Covid-19 outbreak. **Declarations of Interest** There were no new declarations of interest or declarations of interest relevant to the agenda. **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. **Action Log**	

	Item	Action
	The action log was reviewed and updated accordingly.	
4.0	**M11 Finance Report** The report was circulated prior to the meeting. JL introduced the items and advised the following headlines: • The CCG has not changed its forecast position and is reporting that it will be off-plan by £22.1m, giving a total reported year end forecast deficit of £34.1m. The latest acute activity information (as at M10) indicates a significant adverse movement in the forecast of £2.5m. This had not been included in the reported position but has been added to risks. This has been mitigated by a combination of contract challenges, balance sheet opportunities and re-assessment of current year accruals. JC asked after the Matt Hancock announcement regarding write off of historic debt and if this would be reflected in the monthly reports. JL confirmed the announcement was regarding the provider sector debts. It doesn't change public sector borrowing because the debt was owed to the Department of Health. Providers have more work going on to understand the impact of this particularly NBT as they weren't paying public dividend, they had a negative balance sheet. There may be a cost pressure to them and that will be worked through on the control total. ST added the operational plan for the commissioning sector assumed that we would get half the historic accumulated deficit written off and the other half we have the ability for the CCG to pay back over a 4/5 year period but no guidance has been issued on that. JRU asked in discussions with the centre, is there any sense that the NHS finance will be re-written. ST advised where there is more allocation of funds to get people out of hospital there is another element, allocating out money due to population need. We don't expect to go back to PBR, opinion is this will be re-written. JL highlighted a change was published about the capital funding regime for the NHS. They want to move to a capital envelope at an STP level to stop acute providers holding onto cash for capital investment, so there will be a different prioritisation process. There was an incentive to earn a profit for capital expenditure, though if capital is controlled at regional level this will change the incentive. JC asked how is that getting worked through. JL advised with the immediate response to covid-19 there are high level announcements which are not implemented for weeks. But some of the	

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	changes for debt these were shelf ready for changes the NHS wanted to make anyway. ST interjected the response to covid-19 there have been national webinars with the finance community so they are responding quickly and it has been good in bringing the community together. JRu asked are the CCG happy the accounts will have additional funding recorded for covid-19. JL confirmed the CCG will capture all of them but anticipating second wave of covid-19 later in the year. **Financial Governance arrangements put in place to support COVID-19 incident** The paper set out assurances regarding financial control and governance arrangements during the response phase to the covid-19 pandemic. Key risks related to the recovery and exit phase and the implications of short term actions. Overall costs would be confirmed. Key points of discussion: The impact on the voluntary sector. There was an impact on voluntary sector funding and this was under review. It was asked if there was clarity regarding business critical services provided by voluntary sector organisations. The process for identify key voluntary sector provided services was highlighted. Senior commissioning managers were reviewing contracts to identify business critical services. The long term sustainability of voluntary sector was important. The important of demonstrating responsible decision making was highlighted. The Mental Health Review continued as business as usual. NHSE had procured the independent sector nationally, including treatment centres. It was confirmed this included diagnostics. The reporting of decisions made in relation to business critical services provided by the voluntary sector would be reviewed ensure clear governance. It was agreed that involvement of Governing Body non-executives in potentially controversial decisions would be important to ensure and support good governance. Risks relating to the SBS India Operations were discussed. Potential issues related to cash runs and the volume of invoices received during the year end period and this was kept under review. There had no significant down time. Suppliers dependant on paper invoices could potentially experience problems; this was also being kept under review. A paper on wider decision making and governance arrangements would be received by the Governing Body.	

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	Frailty Programme Investment Business Case The paper was circulated to the committee prior to the meeting. GP attended to answer the following questions which arose: JC asked in regards to evidence based, what is the mitigation if different to what we're expecting. GP advised the CCG will bring forward some of the service elements sooner into the year, so there will be mitigation in terms of a positive impact for evidence based in particular frailty hubs. JRo stated there haven't been any really good trials that are considered to be clinically robust. The medical model expects quality of evidence and in reality that is really hard to do especially with frailty. The CCG know that frailty is more of a tsunami than covid-19, and the CCG need to prevent the deterioration in people and we learn as we go. JRo asked in regards to outcomes framework, there are still some double negatives so how the CCG set the goal and describe what we are achieving rather than what we're not. GP advised the CCG have not looked at the baselining and target setting for where we want to get to, so that is built into our mobilisation work and we need to speak to providers about this. The CCG wont have a benchmark from some of our providers which is a challenge but we have done everything we can upfront. JRO asked if there needs to be a balance of what the CCG think needs to be proactive anticipatory care and what will be reactive. GP advised the clinical design is managing tension between the 2 things. Frailty hubs are trying to do things in terms of proactive and reactive and the CCG are hoping prevention overtakes those 2 things. JRo asked what impact will covid-19 have on the frailty project. GP advised that GP's are going into nursing homes and trying to ensure there is presentation for footfall through the hospital doors. JRu asked about the financial mechanics and what the budgetary control will be tracked to see some savings at the end of the project. GP reported that investment has already been factored into the financial planning, especially into the Sirona contract and acute's are drawing more of their costs towards the front door and admission avoidance. JL added if the model is a success the CCG will then be able to invest in more out of hospital capacity to release from acute care. JRU further queried the capital implications for creating the frailty hubs. ST advised these will be existing buildings and here might be some modifications, Sirona have factored this into their financial budget and as have the STP for their capital hub, but this will be kept under review. JRu queried is there any risk things will be delivered locally due to personal preference of service users GP answered the CCG have done the clinical design piece across BNSSG so we expect the local flex and variation.	GP

	Item	Action
	JL asked in regards to budget, how close are we to crystalizing the capitated spend for this group of patients. GP answered the CCG are waiting for more data to come online within the population health management data set, there is exciting and complicated work to take place to drive contract value and mechanism. JC Welcome a proposal on how SFC can help/assist this moving forward - ACTION The committee approved the timeline for commissioning the service from integrated localities from 2021/22, as described in Section 8 of the paper. **Approve Interim budgets for 20/21** The paper was circulated to the committee prior to the meeting; therefore the following areas were highlighted and discussed. ST stated that in normal circumstances the budget would have been brought to the committee for final sign-off, however due to covid-19 the operational planning process has been paused and therefore this paper represents the interim budget to establish a baseline from which the impact of covid-19 and changes to the NHS financial regime can be measured. JL advised the proposed budget is consistent with the long term plan so the CCG are aiming for a deficit of £2.9m against allocation. The control total is missed by £0.6m, but that was onset by UHBW overachieving on their control total. In year overspend is £34m so budgeting for improvement by mitigated growth in acute care. JRu asked if the CCG have a £45m target but is deemed to only deliver £30m. ST added if we had done operational planning the discussions would have suggested a significant chunk of the cost pressures would have shown as unmitigated risk. ST reported on block contracts and advised the CCG are expecting the contracts are based on month 9 balances, so they're likely to be lower in the contract discussions we were having. We also won't have commitment we were due to have from the independent sector and if the allocation will be clawed back. We're getting allocation for discharge requirement so framework will move. JRu asked what is being reported to GB ST was happy to do a presentation to GB – ACTION.	ST SC

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Strategic Finance Committee Terms of Reference (ToR)
The ToR was circulated to the committee to review prior to the meeting. The committee agreed to retain all the existing content aside from it was agreed that the Governing Body would receive a proposal about a new clinical lead attending SFC as opposed to the Clinical Chair - ACTION

GBAF & CRR
Both items were noted by the committee.

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.
There was a very positive discussion in the February meeting about scope for efficiencies for long term plan, maturity and confidence in delivery. This work continues to be refined for incorporation when budget position is clearer,
2021 base budget was up to date and the planning work which had been completed up to 17 March (Simon Stevens letter date) has been approved to enable base case from which Covid 19 impact can be monitored. This will need revisiting when the budget position is clearer
Timeline for Frailty programme has been approved
Enhanced financial governance arrangements for Covid 19 were endorsed.

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