NHS
Bristol, North Somerset and South Gloucestershire
Clinical Commissioning Group

Strategic Finance Committee Minutes of the meeting held on Friday 27th September 2019, 13:00-15:00, Exec Boardroom, South Plaza.

Open Minutes

Present		
*John Cappock	Strategic Finance Committee	JC **Chair**
*John Rushforth	Deputy Chair and Lay Member for Audit, Governance and Risk	JRu
*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
Jo Kapp	Associate Director Quality – Continuing Healthcare lead	JK
Padma Ramanan	Head of Accounts – Partnership and Mental Health	PR
Richard Lyle	Associate Director Service Redesign	RL
Sabrina Smithson	Executive PA (Minute Taker)	SS
Apologies		
*Jonathan Hayes	BNSSG Clinical Chair	JH
Deb El-Sayed	Executive Director of Transformation	DES

	Item	Action
	For Committee To Approve: The following items were circulated to the Committee prior to the meeting with the request for approval. The Chair advised all presenters papers had been read prior to the meeting and therefore the following highlight/discussions took place:	
3.0	**Minutes from previous meetings:** Minutes were confirmed to be accurate – There was a noted amendment on a name spelling. LM further updated on the Out of Area Placements and advised they are currently at 15 which is on frequency with a combination of factors feeding into this, one of which being a specific patient being discharged into a community package. The Target is to get down to 10 and the CCG are on track to achieve this. A monthly report will be provided from next month to track this.	

	Item	Action
3.2	**Review planning / contracting for 2020/21 to include commissioning intentions**: Following discussion it was concluded the item would be discussed at an Executive Team meeting and reported back to the Committee the following month.	LM/JR & ST
	For Committee to Discuss The following items were circulated to the committee prior to the meeting with the request for the committee to discuss. The Chair notified presenters papers had been read prior to the meeting and therefore the following highlights/discussions took place:	
4.1	**Complex Individual Care** JK advised the committee a meeting took place with Bristol City Council (BCC), and they have provided a draft Fair Pricing tool. ST asked how the meeting was concluded with BCC and JK stated the CCG are continuing work with BCC to develop the tool and also populate the positives and negatives from the market. JRu asked if there were any available updates on this currently, to which JK replied not. JRu further asked if distributions are based on individual patients. JK responded the CCG hold information for CHC but not for BCC. PR interjected the CCG would need to take into account the range of payments to enable answers for the question. ST added the CCG have had a huge increase in a short space of time and have not yet been able to say why this increase has happened. ST advised the committee there is a comprehensive piece of work around the financial interface with local authorities, so the CCG can be clearer as this appears to be a national issue. The CCG also have issues with Better Care funds, so there are a number of areas which need clarity. JRo noted some inconsistency in the data and requested that this be amended to be clear on where the CCG benchmarked against its peer group in relation to CHC spend. It was concluded that the updated report would be submitted to the committee again for Octobers meeting with the comprehensive data and trends to include use of the fast track tool and why practices have changed.	PR/JK
4.2	**Month 05 Finance Report** JL highlighted the forecast as break-even but with continuing net risk of £14m, generating a £26m risk-adjusted forecast outturn. The biggest drivers of the adverse position are Continuing Healthcare complex individual packages; acute independent sector activity; and Mental Health & LD out of area placements.	

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	JC asked about prior approval for the independent acute sector, is there anything the CCG can do to improve this position. ST answered the CCG can quantify the likely impact prior approval. The other issue is reviewing all additional allocations whether spend can be avoided. JRu asked after the Mental Health (MH) slippage and asked if the CCG have breached. ST reported not, as the CCG are still spending more than the MH investment standard, because although there is slippage on planned investments there is a bigger increase in spend on out of area placements and MH CHC clients. JC asked are the CCG comfortable with these mitigations. LM reported we are bidding for funding to try and close the gap. ST verified the £2m ICB remains a significant risk and we feel comfortable with the rest of the mitigations. JRu asked are we confident that our providers are putting in the same effort to make savings. JRo confirmed and elaborated the risk in the system is significant. ST followed on by reporting the CCG have been working with providers to have a different way of thinking and targeting things where it can help both parties.	
4.3	**Procurement** - **Community Equipment:** HF reported that as a system we are about to embark on a multi-agency procurement for integrated equipment services. Historically there are 3 legacy contracts across BNSSG, they are bespoke contracts and held / contract managed by respective Local Authorities. The contracts have different arrangements – i.e. catalogues, cost apportionment and commercial models, therefore there is an opportunity to provide a system wide consistent approach to the delivery of these services. The contract length is proposed as a 5+2. South Gloucestershire council (SGC) will be running the procurement, with BCC being the contract holder for the life of the contract. HF continued to advise originally all 3 councils were part of the contractual agreement when the proposal was drafted, but since then, North Somerset Council (NSC) have notified the CCG that they will be withdrawing. HF notified the committee that with NSC council withdrawing the value of the procurement reduces from £5.65million to £5.168million of which the CCGs contribution is £3.785million. ST asked to clarify the cost impact on the CCG of NSC withdrawal. LM confirmed the CCG have discussed with the council options for them to remain within the contract/procurement and the CCG have been clear if there are any additional costs associated with NSC requests, then this will be funded by NSC only. The specific request NSC wish to be included in the procurement documentation is; the current store in Weston remains. This is currently against the programmes agreement to procure an outcomes based	

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	contract and is both against the market and procurement advice received. JRo asked for further clarity on NSC withdrawal reasons. HF reported that as a key requirement NCS want to specify the store in Weston, as they are currently not assured that the procurement will provide a local store as requested, in addition the current NSC view is that it will have a negative impact on the carbon footprint and their current re-cycling rates (which would be covered by having an outcome based contract). It was concluded that as a system it would be of greater value if NSC remained within the procurement and therefore a discussion would take place out of the meeting. It was agreed that the paper to GB would be deferred and the outcome of the discussions would go back to the next SFC and the paper would go to Novembers GB for approval to progress.	
4.4	**Long Term Plan (LTP):** ST reported the Interim submission for the LTP was submitted on the 26th September 2019. The key message are: - There has been good progress and the system are targeting 50% reduction in acute growth. The CCG are not completely aligned with providers, so there is an assumption gap of £22m by the end of the period and we have a clear to resolve this process for November submission. - For the system to get the underline deficit from £80m to £33m which will outline how much financial recovery funding we can expect. We're due to get a recovery trajectory from regional team shortly which will outline how much financial recovery funding we can expect as a system. JL added our system was allocated £50m funding in 2019/20. Due to the geography of the south west the CCG do not have many of the biggest deficits in absolute terms but we do have two of the biggest in % terms including Weston. This may disadvantage the South West. JRu queried the recovery trajectories and how the UHB/Weston merger impacts. ST answered and suggested it would be beneficial for the Committee to see 2 scenarios for when the merger takes place and if it does not. ST concluded work continues over the next few weeks to challenge the consistency of application of cost pressures. Steering groups are doing work on the efficiency opportunities of their plans.	
	For Committee to Note: The following items were submitted to the committee with the request for the committee to note:	

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5.1	**System Finance Recovery Plan** SR highlighted: At month 5 the overall forecast savings range is from £22.1m to £36.5m which demonstrates the current forecast of £31.5m is towards the upper end of the range. The PMO will continue to work with Control Centres to consider the factors driving the significant forecast savings ranges for some projects as the aim is to refine the forecast to be as specific as possible, which in turn will support overall confidence in savings delivery within the CCG's total financial position	
5.2	**Corporate Risk Register** Noted	
5.3	**Governing Body Assurance Framework** Noted	
5.4	**Key Messages for Governing Body** Finances continue to be particularly challenging as we reach the mid point of the year. Dialogue with the Regional team is ongoing on potential mitigations and continued pressure is required on budget holders to identify potential areas of efficiency. Particular focus is now being placed on implementation of prior approval process for the independent acute sector. Dialogue with Local Authorities to identify scope for more consistent pricing which may yield efficiencies for the CCG.	