

**Strategic Finance Committee Minutes of the meeting held on Friday 29th November,
Executive 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
*Sarah Truelove	Deputy Chief Executive/Chief Finance Officer	ST
Attended		
Helena Fuller	Deputy Director of Commissioning	HF
Jonathan Lund	Deputy Chief Finance Officer	JL
Cintia Faria	PMO Programme Delivery Manager	CF
Sarah Carr	Corporate Secretary	SC (Item 3.2)
Clare McInerey	Head of Locality Development – North Somerset	CM (Item 3.3)
Debbie Campbell	Deputy Director (Medicines Optimisation)	DC (Item 3.3 & 4.0)
Sabrina Smithson	Executive PA (Minute Taker)	SS
Apologies		
*Jonathan Hayes	BNSSG Clinical Chair	JH
Deb El-Sayed	Executive Director of Transformation	DES
Steve Rea	Associate Director of Programme Delivery	SR
Lisa Manson	Executive Director of Commissioning	LM
*Julia Ross	Chief Executive Officer	JRo

*Members of Committee who make-up quoracy.

	Item	Action
	<p><u>For Committee To Approve:</u> 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:</p>	
3.0	<p>Minutes from previous meetings: Minutes were confirmed to be approved.</p>	
3.1	<p>Action Log The action log was reviewed and updated accordingly.</p>	

	Item	Action
3.2	<p>Declarations of Interest: There were no new declarations of interest or declarations of interest relevant to the agenda.</p> <p>Corporate Risk Register & GBAF SC attended and drew attention to P3 of cover paper and highlighted the moderation process which has now been introduced. SC reported the moderation process is now looking at scoring for financial risk/financial sum and applying this to the moderation process. SC continued if a new risk is added and it is not over the threshold then the Directorates are asked to take ownership of the risk. This process has been proven successful thus far.</p> <p>JRu asked if the CCG have a process to review any common risks and if there are any common trends from each individual directorate. SC confirmed not as yet, but appreciated it as a suggestion for future work.</p> <p>JC asked how long has it been in development. SC confirmed a couple of months. ST added the CCG have a mixture of directorate risk registers and we're now trying to get a consistent approach with everyone.</p> <p>SC reported that the Finance Directorate cannot report all the other directorates' financial risk, which is why we are approaching all of the directorates individually.</p> <p>JRu asked do the control centres have risk registers. SC confirmed and elaborated there is an interface between the 2. CF added the PMO have a highlight report with the risks at project level all in Verto (project management software) and we discuss this at the Turnaround Steering Group.</p> <p>JC commended the work and asked what the feedback was across the organisation. SC advised it is being well received and it is evolving so will always develop.</p> <p>SC moved onto the Governing Body Assurance Framework (GBAF) and the process being the Corporate Secretary meets with the Executives and directorates and work on the pages together.</p> <p>There are currently a number of risks where score has reduced e.g. the Long Term Plan (LTP) and Healthy Weston as the projects are due to finish. SC continued the Finance Directorate principal risk for this year is finance performance delivery in-year and asked how that translates moving forward. ST asked for the previous assurance objective (7) to be closed and add a new principal risk of financial performance delivery in-year – ACTION.</p> <p>JC asked in terms of the systems and relationships how have they developed. ST answered positive. There have been projects and meetings which have shifted the conversations between people and working to keep us all in the space of it being a system wide problem/issue.</p>	SC

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3.3	<p>JRu asked Is there a system assurance framework. SC advised looking at LTP there are clear objectives these could be made into assurance framework.</p> <p>JRu Noted that the Audit Chairs Group discussed the deficit across the system as South West was deemed to be in the worst position. ST noted there is a grip and control checklist. JL added that checklist has been redefined this week. The lay members agreed to discuss a system assurance framework at a future Audit Chairs Group – ACTION (Lay Members)</p> <p><i>Committee approved the GBAF & CRR.</i></p> <p>Repeat Prescribing Hub Gain Share <i>To ask SFC to agree the Gain Share principles for Repeat Prescription Hubs, noting that this will set a precedent for future gain share offers to PCNs</i> <i>To agree the proposed gain share principles and give clearance for the Weston proposal to proceed to implementation and any future repeat prescription hubs.</i> <i>To discuss and agree the offer to the Tyntesfield Hub.</i></p> <p>JL commenced by reporting a proposal was submitted to the committee in July regarding gain share principal. The committee supported this principal and the CCG have subsequently worked with Pier Health who are looking to launch the Hub. JL noted in the previous committee meeting one concern was the whole systems overspend and would that be applied to all. JRu asked why it is a gain share only agreement and what risk Pier Health would be taking.</p> <p>CM advised within the model with Pier Health we have explored the CCG will front 50% of the cost and organisation (Pier Health) to front the rest. There is a risk on them taking the time to set-up the hub so should incentivise them to make the gain, if they didn't get the gain it would mitigate the risk of them overspending.</p> <p>ST reported in regards to risk share the CCG don't have control over a lot of the elements e.g. Category M so the potential impact on the practice is quite significant. DC concurred there are things in the system, which are making them prescribe more. JRu asked how do savings get calculated. DC reported there is a lot of waste in repeat prescribing, so more time is being invested to ensure the process is right. The savings has a budget setting methodology and they have all bought into that, so the budget will be re-allocated every year. JRu asked if the CCG set a fair share budget, but something happens outside of our control what do we do? JL advised there will be a clear auditable way of identifying this expenditure and the agreement will be for 2 years.</p> <p>JRu queried if Pier Health in year 1 reduced their spend to below budget (across the system) do the CCG then reduce Pier Health's budget the next</p>	<p>JC & JRu</p>

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	<p>year? JL confirmed yes and commented there is an element of trust as well with this as the CCG Governing Body will dictate the overall budget for prescribing.</p> <p>JRu asked after any savings from the investment. CM advised we would expect the organisation to reinvest it into Pier Health. JL reported the CCG need to be reasonable in that level of monitoring. In contracts it says we can't advise what they spend the savings on.</p> <p>ST asked for the calculations with the payments and costs to be presented in a graph formula as this would be helpful to understand - ACTION</p> <p>JC asked if the hub is applied elsewhere. JL reported it could be rolled out to other PCN's.</p> <p><i>The committee confirmed that the CCG should not go back and agree a retrospective gain share with Tyntesfield Hub.</i></p> <p><i>Committee agreed subject to developing a MoU that clearly set out the process for calculated gains and losses.</i></p>	<p>DC & CM</p>
<p>4.0</p>	<p><u>For Committee to Discuss</u></p> <p>M7 Finance Report</p> <p>The finance report highlighted Prescribing expenditure relating to volume of items issued, prices and nationally negotiated price margins. The budget remains very volatile and a new risk of £3m overspend on budget has emerged based on August data. DC advised July data came in it was a good position. Lloyd Pharmacy stores had not had prescriptions processed by the Prescription Pricing Authority (PPA) from July until the August so that meant we had a big impact as BNSSG have a lot of Lloyds Pharmacies across the patch. JL confirmed the £3m overspend is on-top of the £2m cost pressure of CATEGORY M (Cat M)</p> <p>JRu asked do the CCG think we will get any more funding. JL answered it is not believed anymore funding will be received. JRu further asked did we have funding for category M in the past. JL advised, Yes. Also in previous years Cat M drug prices went down later in the year. DC highlighted the CCG think it will stay until the end of March. JL continued to report on the M7 finance report advising the position is consistent with how it has been. Regarding the assessment of risk and mitigation the CCG have re-assessed the mitigation funding from other partners and we're not seeing evidence and not expecting to get reimbursement. ST added the judgement of moving that to forecast outturn have been highlighted to NHSE.</p> <p>JL drew attention to P17 of the report submitted and advised there was more added detailed analysis on running cost. ST advised the CCG thought we would get funding for PAYE award and this hasn't come across.</p>	

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4.1	<p>JRu asked after outpatients and the CCG appear to be well above plan every month. ST responded the outpatient procedures were particularly over however GP referrals are down. ST stated she expected outpatient activity to reduce in line with the new cataract policy. JRu asked when did the process start. ST advised the Cataracts policy was changed last month and won't be paid by January 2020 if nothing comes through the referrals management service.</p> <p>Community Services Procurement – update No paper was submitted to the committee prior to the meeting and HF provided a verbal highlight report.</p> <p>HF highlighted that the verbal update would include mobilisation, transition, transfer and the key outputs from the NHSE community procurement/contract check point meeting</p> <p><u>Mobilisation</u> Mobilisation group has been established for a while and the CCG is receiving assurances that everything is progressing in line with the contract Sirona has completed their recruitment including their senior team, though their Director of Finance will be interim for mobilisation with current incumbent staff The CCG has regular meetings and communication with incumbents staff</p> <p><u>Transition</u> CCG continues to meet regularly with BCH and NSCP. For BCH there has not been as much progress as NSCP, this is linked to BCH's decision timeline around its future. Now the decision has been made discussions are ramping up. CCG DD and discussions with BCH and NSCP suggest both will wind up in a sustainable way</p> <p><u>Transfer</u> All services out of scope of mobilisation are being overseen by the service transfer group e.g. children's, P2C and other commissioner services</p> <p><u>NHSE Check point (CP)</u> At CP 2 it was agreed we would have a middle check point to check in before the final CP 3 in February. It was a positive discussion NHSE focussed on capacity within the system and challenged Sirona particularly. Sirona confirmed Exec capacity for BAU and Mobilisation They also asked how we were managing with Lisa being away. We responded that all is moving well and together with the governance structure / PMO structure in place mobilisation is progressing well as is the transition. They requested sight of our risk register and written confirmation re our capacity to deliver mobilisation and transition.</p>	

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	<p>They also requested that the team escalate any emerging issues before CP3 – “no Surprises” We are now preparing for CP3 on 27 Feb</p>	
5.0	<p><u>For Committee to Note:</u> System Finance Recovery Plan – Urgent Care A presentation was given at the committee highlighting the following:</p> <p>The 2019/20 UEC savings plan shows under delivery against the savings target. Meanwhile, the 2019/20 financial position shows an underspend against forecasted growth, primarily due to NEL admissions at NBT. An exercise was undertaken to begin to identify the reasons for the underspend and the savings plan position, bridging the link between actual activity and savings plans. It also aims to understand which UEC savings schemes may have contributed to this position, with their impact not fully captured by our current methodology for calculating savings delivery.</p> <p>JRu asked what happened at M2 to non-elective admissions. LR advised there could have been a number of schemes which impacted this, but we won't know what they are. JRu advised it would be interesting to understand TH advised the urgent care control centre would be looking into this further.</p> <p>JL asked in regards to non-elective living in Care Homes and should the CCG be looking at Care Homes more. LR responded the LES were exploring this in isolation but we should be looking at it as a larger picture. ST noted this is some of the CCG's challenges. When we stop measuring activity taking it to another level, we have the danger of stopping something like Care Homes. LR reported the team are looking at capturing the impact of implementing change as they all have an accumulative impact, which will be more complicated to capture moving forward.</p> <p>JRu asked looking at different schemes and how they come together, have the CCG got mechanisms to review the other things that are happening in terms of activity, and how they will affect the plan. TH answered the CCG don't quantify baseline enough and have we saved more, but growth has increased. ST advised population health is looking at that and how to be more sophisticated in our approach.</p> <p>JRu asked in regards to Academic Health Networks are the CCG linking in with these? ST advised the CCG have PHD students working on these models.</p> <p>ST reported the CCG are having discussions about how we move into the Long Term Plan delivery and describing programme management infrastructure moving forward and a workshop on the 6th December will be able to allocate work and responsible officers.</p>	

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	<p>Key Messages for Governing Body</p> <ul style="list-style-type: none"> - Finance challenge - Dialogue with regional plan continues regarding LTP - Pressure remains on budget holders to meet their financial targets - Continue working with system partners including Local Authorities. <p>The Committee discussed setting the agenda for the next meeting and agreed to have a workshop format focused on This will enable the CCG to start a dialogue with the national team about its financial position.</p>	