

Strategic Finance Committee Minutes of the meeting held on Friday 29th May 2020, 13:00-15:00, 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
*Julia Ross	Chief Executive Officer	JRo
Attended		
Lisa Manson	Executive Director of Commissioning	LM
Jonathan Lund	Deputy Chief Finance Officer	JL
Steve Rea	Associate Director of Programme Delivery	SR
Helena Fuller	Deputy Director of Commissioning	HF
Emma Moody	Head of Contracts Mental Health and Learning Disabilities	EM
Carol Slater	Head of Transformation (Mental Health & Learning Disabilities)	CS
Robert Ayerst	Head of Finance – Community & Primary Care	RA
Sabrina Smithson	Executive PA (Minute Taker)	SS
Apologies		
*Jonathan Hayes	BNSSG Clinical Chair	
*Sarah Truelove	Deputy Chief Executive/Chief Finance Officer	
Deb El-Sayed	Executive Director of Transformation	DES

*Members of Committee who make-up quoracy.

	Item	Action
	<i>This month's meeting was held via on online Video Conference due to the Covid-19 outbreak.</i>	
2.0	Declarations of Interest There were no new declarations of interest or declarations of interest relevant to the agenda.	
3.0	Minutes from previous meeting The minutes for the open session had been circulated to the Committee in advance of the meeting and were approved. In regards to the Annual Report JC confirmed the revisions were acceptable and due to be presented to GB next week.	

	Item	Action
3.1	<p>Action Log The action log was reviewed and updated accordingly.</p>	
4.0	<p>April – July Finance CCG Financial Management - April Covid-19 cost collection</p> <p>The papers were circulated to the committee prior to the meeting. The following highlights/questions took place: JL highlighted the new financial regime, which the CCG will be operating under. This consisted of:</p> <ol style="list-style-type: none"> 1. Initial allocation for 4 months 2. Prospectively adjusted where NHSE assume there will be differences in our financial plan e.g. fixed block contracts for NHS providers. 3. Retrospective adjustment based on Management accounts. JL advised NHSE will expect ‘true-up’ the allocation for break-even position, including where costs goes down then the money will be ‘clawed’ back. <p>JRo asked if the CCG will expect to be in a break-even only position until the end of July. JL confirmed yes, NHSE said it is likely to carry-on till October and then there is expected to be a planning letter due to be circulated next week setting out the financial regime for the remainder of the year. JC asked where does accountability stop? It is ambiguous. JRo further queried do the CCG need to tighten up our oversight of costs. JRo further queried what happens if NHSE refuse costs the CCG have spent. JL advised this was unconfirmed as we have not made a monthly cycle to test that. JRo commented the governance for this needs to be stronger and in place. JC asked how do the CCG reconcile the efficiency programme to run this for the rest of the financial year. JL advised that is a challenge at the moment because the impact of block payments and unforeseen changes in activity levels due to Covid. The key focus was to ensure that any increase in cost over run rate last year goes through robust governance. This will hopefully reduce the need to mitigate through savings, which we are continuing to monitor. JRu added we should try to make as much savings as we can. JRu asked what are we doing for budget setting for the rest of the year. JL advised the committee signed off the pre-covid budget so our proposal is to set those as the operating budgets. JRu asked will the CCG have a budget for Covid. JL advised we haven’t got a specific budget for Covid related items as it changes every month with the costs we’re facing. NHSE have a</p>	

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4.1	<p style="text-align: center;">- Hospices financial support</p> <p>JRo – Questioned do we know whether national financial support to Hospices will continue? JL reported the CCG haven't seen anything formal about that, however have nformally heard the grant may be rolled forward on a month by month basis. Also, it would be reasonable for the CCG to buy extra capacity to support Covid so we could step in if Hospices began to reduce service provision.</p> <p>JL advised the grant is enough to survive the next 3 months, the issue is the judgement of how long it will take to recover lost charitable and commercial income.</p> <p>JRu asked have the CCG got a model of costs if we need to engage with the hospices. JL advised we have broad operating costs so could look at extra capacity if need be. ACTION – JL to track back and check-in what is happening and if costs are being covered.</p> <p>JRu asked how many hospices do the CCG support/use? JL reported 4 hospices. JRu further queried do the CCG need to carry out a resilience test and compare these to other CCG's across the patch. ACTION</p> <p>PMO Savings report</p> <p>A paper was circulated to the committee prior to the meeting and the following highlights/questions took place: SR highlighted the status updates received from Control Centre project leads with regards to impact of Covid-19 on delivery is as the paper describes. The Approach to monitoring impact/benefits have been agreed at the Turnaround Steering Group.</p> <p>There have been some minor amendments to some of the 2020/21 planned savings targets to ensure exact alignment with values captured within provider contracts. Planned net 2020/21 savings now £26.7m against target of £38.1m. See further detail below.</p> <p>Work is underway to update forecast outturn positions for month 2 for all projects via Control Centre finance leads.</p> <p>JRu asked will the CCG be generating different projects for covid. SR confirmed yes, there is a lot of new transformation work which is underway, where the change has a financial benefit to the system we pull it into being part of the plan. JRo noted high intensity users needs to not be delayed.SR</p>	JL & HF

	Item	Action
5.0	<p>Progress on setting indicative Integrated Care Partnership Budgets and Financial Government Arrangements RA & JL gave a presentation within the meeting the following queries arose following the presentation:</p> <p>JRo reported there would be a paper at the Governing Body (GB) about integrated care partnerships. Suggest effective programme based budgets has been proven to be a challenge. The CCG are trying to give responsibility and accountability for spend where it spent. If we cannot have programme based budgets, then we can't meaningfully have joined up budgets. The difficulty will be the way of working we have currently is quite clunky but if we have outcome framework, we will have assurance on how this will work.</p> <p>JC Noted it was helpful work to take place and needs to be revisited.</p> <p>JC We will revisit this on Tue in GB and bring back to SFC – ACTION</p> <p>GBAF & CRR Both items were noted by the committee.</p> <p>JC Noted there should be a risk about the second wave of Covid-19 to the risk register – ACTION. JC commented some of the risks were now deemed to be in a different RAG rating and therefore to be re-reviewed. LM will look at the Urgent Care item - ACTION</p> <p>JC Noted the assurance framework needs another review as they did not appear to be fully up to date (mitigations).</p> <p>Key Messages for Governing Body Guidance has now been issued by NHS England. This covers the period from April 20 to July 20. There are indications that these arrangements may remain in place until October and potentially for the remainder of this financial year. Further detail has also been provided on accounting for Covid 19 related costs. Further guidance is expected in coming weeks and the Committee discussed using this guidance to develop a draft and broad brush budget for the remainder of the financial year The Committee was provided with a heads up on items which are likely to require SFC/GB approval in coming months. Long term planning remains paused. Work on efficiencies continue with efforts to address the shortfall. Notwithstanding temporary financial regime the Committee considers it very important that this work continues as a high priority and that there is</p>	JRo/RA

	Item	Action
	<p>continued pressure on cost control and evidenced justification of decisions made and associated governance. CRR and GBAF were reviewed. Some recommendations were made around ensuring that all ratings are fully up to date. It was recommended that in addition to items added to CRR since last meeting that it would be prudent to include a risk around a second wave and also likely impact of the expected mental health surge.</p>	<p>SC/LM</p>