NHS
Bristol, North Somerset and South Gloucestershire
Clinical Commissioning Group

Strategic Finance Committee Minutes of the meeting held on Thursday 29th November 2018, CCG Conference Room, South Plaza, Bristol, BS1 3NX

Minutes

Present		
Peter Marriner	Strategic Finance Committee **Chair**	PM
Lisa Manson	BNSSG Director of Commissioning	LM
Rob Moors	Assistant Chief Finance Officer	RM
Sarah Truelove	BNSSG Chief Finance Officer	ST
Jonathan Hayes	BNSSG Clinical Chair	JH
Apologies		
Julia Ross	BNSSG Chief Executive Officer	JRo
Deborah El-Sayed	BNSSG Transformation Director	DE-S
John Rushforth	Independent Lay Member – Audit, Governance and Risk – attended for the decision process on items 7,8 and 9	JRu
Steve Rea	BNSSG Associate Director of Programme Delivery	SR
In attendance		
Paul Edwards	BNSSG Interim Deputy Director of Commissioning	PE
David Jarrett	BNSSG Area Director for South Gloucestershire	DJ
Andy Newton	BNSSG Head of Planned Care	ANe
Rob Ayerst	BNNSH Head of Finance for Communities and Primary Care	RA
Dr Michael Jenkins	BNSSG Clinical Lead for Integrated Care	MJ
Dr Kate Rush	BNSSG Associate Medical Director	KR

	Item	**Action**
01	**Declarations of Interest** No interests were declared.	
02	**Minutes** The minutes from the previous meeting were approved. **Action Log** The action log was updated accordingly. **Locum Analysis** RM Confirmed the Year to date expenditure on locums is £875K against a year to date budget of £417K. Forecast expenditure in 2018/19 is broadly in line with the previous year prior to delegation. The CCG requested an analysis of locum spend in 2017/18 from NHSE to support our risk review of this position and this confirmed the CCG's assessment. NHSE have advised that current expenditure levels reflect the underlying demand for locums and as such should be considered recurrent. The forecast position at month 7 therefore reflects this.	

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03	**CCG Month 7 Financial Report** A paper/presentation was submitted prior to the meeting, ST highlighted the following areas: In regards to risk ST explained that Primary Care had an uplift to cover inflationary pressures in previous years but this year this has not been the case which leaves a pressure of £1.1million. The unmitigated risk relationship to NSCO is still being discussed with NHSE locally and they will get some additional non-recurrent resource for the CCG this year and this will be around £2million. The CCG are pursuing £1.1m in respect of Quality Premium Funding relating to 2017-18. Therefore the risk is likely to reduce in Month 8. ST further highlighted the acute spend and highlighted that due to an adjustment for contract challenges, the NBT position looks favourable compared to UHB but there are more significant issues with NBT. ST brought attention to the AQP ophthalmology activity and related costs. LM advised that the CCG are exploring the option of Optical referrals coming through the CCG referral service and IFR. Following the above highlights, the following questions were asked regarding the paper: PM queried after the outpatients and do the CCG monitor the number of patients on the waiting list? LM confirmed we are doing better than plan currently. PM further queried the underspend reported in CAMHS services. ST confirmed the CCG have put new investment into CAMHS this year and due to recruitment challenges there will be slippage. - **System financial position for SFC** ST confirmed the year to date position currently shows Weston are off plan but this was expected. There is a new interim finance director and is working to get the savings in a better position. ST continued to advise the most significant risk is with the saving delivery. Currently NBT are £7.9m behind their savings plan. It has been reported that the significant risk is agency spend between 17/18 and 18/19 there has been a significant increase at NBT and also AWP and Weston have agency challenges. PM asked on behalf of John Rushforth whether the Non-Executive Directors (NEDS) could be being involved in the STP discussions moving forward. ST confirmed there will be discussions at System Delivery Oversight Group about inviting the NEDS to the January efficiency workshop.	

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04	**Changing Tariff Arrangements** A paper/presentation was submitted to the Committee prior to the meeting, ST highlighted the following areas: ST advised the current proposed PbR technical changes are challenging with regards to blended tariffs and changing the payment approach for emergency care. The system is organising an emergency care event so the care model payment approach is aligned. To support this we are putting in place revised governance arrangements within the STP for next year and this is going to the SDOG in December. PM asked if the planning timetable is set for this? ST we have a national planning timetable but there is a debate if some of these dates will slip. LM advised reflecting across the system people are not waiting for guidance to come out, the work is already taking place and contract discussions are taking place.	
05	**System Financial Recovery Plan** A paper/presentation was submitted to the Committee prior to the meeting, ST highlighted the following areas: **ST confirmed at** Month 7 reports £29.0m against the £37.0m requirement (78% delivery). Month 6 reported a risk assessed FOT of £28.3m and month 7 is now forecasting £29.0m. The net £0.7m improvement since last month continues the trend seen since month 3 of being able to forecast an increased level of savings each month. ST continued to advise in regards to Planning for 19/20 the plans are at £16.4m and this will increase to approx. £20m with additional drug switch benefits. The total requirement is likely to be similar to 2018-19 and close to £40m. JH asked for an update regarding Primary Care? ST confirmed they are getting there with the LES reviews and producing the sustainability impacts on individual practices before the figures come in. **Planned Care, Referral Management, Cancer, Diagnosis** A presentation/paper was submitted prior to the Committee. DJ and ANe highlighted the following areas: • MSK policies continuing to have greater impact post 17/18 than anticipated. • Referral service supporting a continued fall in GP referrals (-3%) and 'Criteria Based Access' activity. • Eligibility assessment for Patient Transport requests leading to 11% drop in PTS journeys	

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	• Assisted Conception Services – newly procured service with lower cost and activity • CCG no longer paying for extra consent clinics LM commented that the practice level referral is the same work that will be carried out with diagnostics**.** ANe further summarised the further outlined the key issues for 19/20 with some projects that are unproven and may not deliver savings (e.g. wheelchair and neuropsychiatry policies, diagnostics, urology changes ST commented the benefits of getting information to the Governing Body in good time so we have the whole picture for 19/20. ANe further highlighted key risks were the savings in MSK and Referral Support in 17/18 and 18/19 are more challenging for a further year. This is a risk for the Shoulders and Referrals projects DJ added that there has been Increased spend in AQP providers for the ophthalmology pathway. This is not part of planned care activity this year and is linked, in the main, to one provider. LM advised the Individual Funding Request team are writing to all opticians to advise referrals are now to be routed through the CCG. PM asked if there are areas than can be improved now for 19/20? ANe confirmed that the MSK activity forecast is based on average winter over the last 3 years. The other one will be fertility services as the spend this year is £1million less than last year so the CCG are being cautious as not all activity has been invoiced. ST asked if the information was being submitted into SUS? ANe confirmed this would be explored. ANe highlighted another key challenge will be the system wide ownership and agreement. The savings in MSK and some projects require providers to reduce capacity and costs. DJ confirmed some of the forecasting is conservative. There is some flexibility to maintain the current position and in 19/20 there are 2 large scale initiatives for Eye Care and Urology but programme team in place now to deliver on the scheme. ANe noted there had been some resistance at STP. ST advised in December NHSE/I are visiting the CCG to talk about the opportunities for this system and in January there will be an efficiency savings workshop.	
06	**Review planning / contracting for 2019/20 to include commissioning intentions**	

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	Paul Edwards advised the Committee that he had met with Sarah Truelove to review the progress achieved in updating the contracts database, revision of CCG procurement policy /staff training and the timeline for CCG contract procurements. It was agreed therefore that at the December meeting, a paper would be presented that would provide an update for members. PE / LM to action	PE & LM
07	**Procurement - pipeline and current initiatives** A paper was submitted to the Committee prior to the meeting. RA, MJ & KR attended to present alongside LM**.** - **Community Procurement financial and Commercial Update** LM commenced with advising in October 2018 the Governing Body approved the scope, procurement process and timeline for the procurement. The Governing Body delegated authority to the Strategic Finance Committee for a potential decision related to children's community services in 2019. LM recommended that the Committee confirms its approach re: Option 1 - having a 103% exclusion question which will allow the finance element of the overall evaluation to be reduced leaving more marks to be allocated to quality, innovation and implementation aspects of the responses. LM continued to highlight the disadvantages to this would be Contract cap at 103% of the estimated envelope and the CCG would have a pass and fail criteria could give the market the impression the contract value is negotiable. LM suggested another option would be to increase the weighting of the finance element of the evaluation criteria but the disadvantage to this approach is time would need to be spent evaluating bids significantly outside of our financial envelope. ST agreed a Pass/Fail is more desirable and the CCG should continue working on the financial envelope to be confident it is appropriate. This will ensure the market will be likely to bid within the envelope. PM concluded the CCG need to ensure they're providing the best service to their patients; the weighting should be the quality of the service but within the financial envelope. PM asked Do we need to publically declare the 3% with this in mind? ST answered if it is pass/fail, then yes we would need to let bidders know. PM asked how much further progress have we made in defining the services we require? LM advised we have 4 service specs and they are being considered by Commissioning Executive in a fortnight's time for sign-off before they go to GB. Option 1 was supported**.** LM went on to highlight South Bristol Community Hospital (SBCH) inpatient services of 60 beds is provided by University Hospital Bristol (UHB) who	

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	also utilise the theatres there for day case work and use some of the other facilities for other work (e.g. dental training). Bristol Community Health provide the minor injuries unit (MIU) on the site. If the CCG were to follow the definition of the current service specifications; then the MIU and In-patient wards would be included in the scope of the community procurement whilst the other services provided by UHB from SBCH would be out of scope of the contract. LM continued to advise the Committee is recommended to include SBCH in-patient services in the scope of the procurement. This will mean UHB to have notice served on this element of their contract so that information can be pulled for bidders to use to estimate resourcing and cost. RA brought attention to Rehabilitation. RA advised the Financial envelope has been worked on, though there is a lack of data availability. There has been significant work to understand referrals for discharge to assess capability. Using KPI's we have looked at our discharge to assess over the year. It takes out 109 currently commissioned beds and takes them out of the envelope and leaves this as un-committed funding which would be available as a contingency. The Committee are being asked to note the approach of reducing the funding envelope of £122m to £102m by taking acute activity at South Bristol Community Hospital out of scope along with the Community Services provider subsidy which would be paid direct to CHP. LM noted the change in approach for bidders will be a clause for bidders to work with the third sector at a minimal amount of 3%. PM Commended the work which had taken place and the team**.**	
08	**Transformation update** *Deferred*	
09	**Review Forward work programme** Reviewed and confirmed	
10	**Review of Key Messages for Governing Body** • The financial results for YTD Month 7 continue to be in line with the CCG achieving its Control Total for the year 2018/19 prior to accounting for NCSO and Category M costs, a £5.6m Unmitigated Risk which is currently under discussion with NHSE. • continued cost pressures have been experienced (Month 7 Year to Date) particularly across the Acute sector, although this improved by some £600k in the month, and in the area of AQP (particularly Newmedica),	

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	work continues to both investigate, manage and mitigate these cost pressures. • Our savings via Control Centre Projects Risk Assessed total has moved ahead in the month but there remains a £8m risk assessed shortfall against the £37m target which the Project Managers and PMO are working on at their regular meetings held each month. • Each SFC Meeting receives a "deep dive" from one of the Control Centres, this month it was Planned Care who are currently projecting a Risk Assessed Forecast of £5.1m some £2.6m short of the original target • Papers were received, discussed, noted and agreed around the following: - Community Procurement Update and items for inclusion in the contract specifications, further analysis work is being undertaken and is to be submitted to the December SFC Meeting - Commissioning paper setting out the outline for negotiation of the 19/20 Contracts across the CCG service providers • The Meeting noted the inclusion of a RED - Finance Risk with a score of 16 included in the Corporate Risk Register related to the unmitigated Risk around NCSO outcome	
11	**Any other business** • **SFC Corporate Risk Register** PM to speak to Sarah Carr regarding some of the numbering • **GBAF** No comment	PM