

**Chair's Report: Finance and Performance Committee**

Date of Meeting	24 November 2016
Chair	Keith Ramsay

**Areas of note from the Committee Discussion**

- £24.1m financial risk
- QIPP risk
- Draft Financial Plan
- Continuing Healthcare
- Transfer of capacity for continuing healthcare and mental health from the Partnership Commissioning Unit to the CCG

**Areas of escalation**

N/A

**Urgent Decisions Required/ Changes to the Forward Plan**

N/A

**Minutes of the Finance and Performance Committee Meeting held on  
24 November 2016 at West Offices, York**

**Present**

Mr Keith Ramsay (KR) – Chair	CCG Lay Chair
Mr Michael Ash-McMahon (MA-M)	Deputy Chief Finance Officer
Mrs Fiona Bell (FB)	Deputy Chief Operating Officer
Mrs Michelle Carrington (MC)	Chief Nurse
Mr Phil Mettam (PM)	Accountable Officer
Dr Andrew Phillips (AP)	GP Governing Body Member, Lead for Urgent Care/Interim Deputy Chief Clinical Officer
Mrs Rachel Potts (RP)	Chief Operating Officer
Mrs Tracey Preece (TP)	Chief Finance Officer

**In attendance**

Ms Natalie Fletcher (NF)	Head of Finance
Mr Jim Hayburn (JH)	Interim Executive Director of System Resources and Performance
Mrs Helen Rees (HR)	Assistant Head of Finance, NHS England North (Yorkshire and the Humber)
Ms Michèle Saidman (MS)	Executive Assistant
Mrs Liza Smithson (LS)	Head of Contracting
Mr Jon Swift (JS)	Director of Finance, NHS England North (Yorkshire and the Humber)
Mrs Elaine Wyllie (EW)	Associate Director of Commissioning

**For item 13**

Mrs Laura Angus (LA)	Lead Pharmacist
Mr Andrew Bucklee (AB)	Senior Innovation and Improvement Manager
Mr Paul Howatson (PH)	Senior Innovation and Improvement Manager
Mr Shaun Macey (SM)	Senior Innovation and Improvement Manager

**Apologies**

Mr David Booker (DB)	Lay Member and Finance and Performance Committee Chair
Mrs Sheenagh Powell (SP)	Lay Member and Audit Committee Chair

The agenda was discussed in the following order.

**1. Apologies**

As noted above.

**2. Declarations of Interest in Relation to the Business of the Meeting**

There were no declarations of interest in relation to the business of the meeting. All declarations were as per the Register of Interests.

### **3. Minutes of the Quality and Finance Committee meeting held on 20 October 2016**

The minutes of the last meeting of the Quality and Finance Committee held on 20 October were agreed by members of the new committee who had been present, subject to clarification on page 6 paragraph 2 under *Emergency Department Front Door* to read:

'The CCG element of the anticipated savings from the scheme was to date relatively modest as the planned level for the number of patients with no intervention and no treatment had not yet been reached...'

#### **The Committee:**

Approved the minutes of the last meeting of the Quality and Finance Committee held on 20 October 2016 subject to the above amendment.

### **4. Matters Arising**

In respect of delegated prescribing budgets FB reported that LA had had discussion with the Practice Alliances and was awaiting a response from CAVA (City and Vale Alliance) about taking on this responsibility. NF added that she was meeting with Shaun O'Connell and LA to discuss implementation. AP and TP agreed to develop a proposal for consideration at the next meeting of the Committee, or the Executive Committee if established.

*QF63 Community Diabetes:* AP reported that a business case would be presented to the Clinical Executive.

*QF63 Community Units and Care Hubs:* FB reported that meetings were taking place to discuss progress.

*QF63 Community IV:* AP reported that Senior Management Team had agreed that this scheme be ceased due to lack of capacity and the nurse, who was still in place, was completing the care programmes for the final patients. York Teaching Hospital NHS Foundation Trust had been asked to present a proposal for a community based model which would be progressed through the Executive Committee.

*QF63 Prescribing:* FB reported that Prescribing QIPP was on the agenda for the Senior Management Team meeting on 29 November. This would be followed by a workshop.

*QF63 Implementation of Procedures of Limited Clinical Value/Clinical Thresholds:* MC reported that implementation had been delayed until 1 January 2017.

*QF66 Report on patient/public engagement in service developments:* RP explained that the new Senior Engagement Manager was taking up post on 12 December and proposed that this report go to the Quality and Patient Experience Committee.

A number of other items were noted as completed or on the agenda.

## **The Committee:**

1. Requested that AP and TP present a proposal for delegated prescribing budgets to the next meeting or to the December meeting of the Executive Committee if established.
2. Noted the updates.
3. Agreed that the report on patient/public engagement in service developments would go to the Quality and Patient Experience Committee.

## **5. Finance and Performance Committee Terms of Reference**

RP explained that, following review of the CCG's governance arrangements, terms of reference were being presented for consideration at the first meetings of the new committees. She noted that membership would be reviewed when the new executive team was in place.

Discussion took place in the context of the CCG being under Legal Directions and the need for clarity of the role of the committee. JS advised that the implications of Legal Directions and special measures were being worked through and NHS England was working alongside the CCG in this regard. He emphasised that PM, with the executive team, was accountable for the functional roles of the CCG; the paramount role of the Committee was scrutiny of budgets, financial planning and financial recovery on behalf of the Governing Body.

PM welcomed the approach adopted by NHS England and highlighted the intention as part of recovery to focus on planning for reality, not for assurance, after the current staff consultation on the structure. He emphasised that, in order to address the £24.1m forecast deficit in 2016/17 and the financial challenge for 2017/18, the CCG's governance arrangements must support a strategic, collaborative approach to system change without impact on patient services for small financial benefit. Facilitation of clinical leadership in General Practice and open engagement with partner organisations, including Healthwatch and Health and Wellbeing Boards, were required to achieve such change.

PM agreed to progress further work on the draft terms of reference week commencing 27 November for consideration at the December Committee meeting.

## **The Committee:**

Requested that PM progress further work on the draft terms of reference which would be reconsidered at the December meeting.

## **6. Corporate Risk Report**

RP presented the report which was placed on the agenda to ensure discussion of significant areas of risk. She noted the risks and associated actions relating to: failing to achieve an assured position for the 2016-17 plan; failing to achieve 67% dementia coding target in general practice; failure by the Partnership Commissioning Unit to provide timely update of risks impacting the CCG; failing to manage Partnership Commissioning Unit areas of spend; and failing to fulfil Continuing Healthcare Fast

Track packages. Two new significant risks had been identified, one escalated from the Wheelchairs and Equipment procurement mobilisation and one on Child and Adult Mental Health Services waiting times; the associated actions were summarised within the report. MA-M added in respect of the former that the 1 December 2016 start date was not at risk.

With regard to the Partnership Commissioning Unit risks PM reported on discussions with the North Yorkshire CCGs noting that NHS Vale of York CCG intended to withdraw continuing healthcare and mental health capacity from the Partnership Commissioning Unit and embed it in the CCG with immediate effect. MC and EW were progressing this. In terms of dementia coding, Improving Access to Psychological Therapy and the mental health consultation the CCG had interim embedded support. In respect of continuing healthcare PM advised that information on numbers to 31 March 2017 was being sought and that, working with partners, a new system model would be developed with effect from 1 April 2017.

EW explained that “brokerage” opportunities to manage Partnership Commissioning Unit spend would be discussed with the appropriate Local Authority for the footprint, noting the need for a flexible approach. She also advised that there would be opportunities for collaboration on mental health with partners when the CCG took direct control. JH emphasized that collaborative and joint working, not procurement, must be the CCG’s approach.

RP reported on discussions of aspects of risk by the Senior Management Team, including implementation of training to ensure consistency and a potential review of the Governing Body risk appetite. With regard to the approach to future reporting, it was agreed that the Committee needed to be informed of financial and performance risks but corporate risk would be the responsibility of the Executive Committee.

#### **The Committee:**

1. Received the Risk Register report and requested future reporting of financial and performance risks only.
2. Noted the strategic and corporate risk portfolio and the burden of risk in specific areas and agreed that this would be reported to the Executive Committee.
3. Noted the actions relating to risks associated with the Partnership Commissioning Unit.

#### **7A. Draft Medium Term Financial Strategy**

TP referred to the first draft Vale of York Medium Term Financial Strategy which comprised: an Executive Summary, Introduction, A New Commissioning Approach, Population Analysis and Benchmarking, Financial Opportunity, Next Steps, and a number of appendices providing further detail. A draft Summary for System Partners, also circulated, would be used for engagement with stakeholders.

TP highlighted that the Executive Summary articulated the CCG’s aim of achieving financial balance by 2018/19 and cumulative balance by 2020/21 emphasising that a system approach was required for this to succeed. She also referred to the context of

the Sustainability and Transformation Plan (STP) footprint and progress towards an accountable care system, noted that the strategy was informed by RightCare data and additional analysis, and explained that the population analysis had been developed from PwC's work on the STP's financial plan. TP advised that the outcome of the work being done by BDO would be incorporated in the strategy and noted that engagement had already taken place with York Teaching Hospital NHS Foundation Trust.

Members welcomed the draft strategy noting the significant messages for alignment and engagement with partners.

TP referred to feedback previously provided by JS, including the need for clarity of the financial challenge faced by the CCG, explanation of funding in comparison with other CCGs in respect of moving towards target allocation, and clear explanation of areas where a reduction in spend was required. JS added that articulation of progress towards financial recovery was paramount and that all partners needed to understand how this would affect them and their communities of interest.

TP requested comments from members outside of the meeting and noted that a complete version of the strategy would be developed by the end of December.

JH reiterated the requirement to engage with partners to deliver the strategy. He reported that engagement with York Teaching Hospital NHS Foundation Trust had resulted in agreement for starting a joint programme of work with focus on areas to drive out their costs and reduce costs to the CCG. These areas aligned with the STP.

PM referred to the timescale for signing contracts for 2017/19 emphasising the need for alignment with providers as far as possible in advance of this. He noted that Governing Body approval would be sought at the Part II meeting on 1 December for mobilisation and engagement with partners with effect from January 2017.

## **7B Draft Financial Plan 2017/18**

TP gave a presentation on the draft Financial Plan for 2017/18, submitted earlier in the day following agreement with NHS England. The plan was based on the assumption of the 2016/17 financial position of £24.1m deficit and described the challenges and risks to delivery of the 2017/18 Financial Plan. HR noted that the plan aligned with the figures in the STP.

TP provided clarification emphasising that the aim was for a realistic plan with achievable QIPP. She noted the intention for agreement with York Teaching Hospital NHS Foundation Trust of a "roadmap" with milestones to demonstrate joint working but advised of an element of risk with a single contract.

JH explained that, as was the case for a number of CCGs in the Humber, Coast and Vale STP footprint, NHS Vale of York CCG was attempting to finalise 2016/17 contractual challenges to provide a secure position for this year and to allow focus on 2017/18 plans.

Members discussed aspects of the Better Care Fund. In this regard JS noted that NHS Vale of York CCG was one of only a few investing more than the minimum required and emphasising that maximum value was required from this investment.

**The Committee:**

1. Noted and welcomed the ongoing development of the draft Medium Term Financial Strategy and draft Financial Plan 2017/18.
2. Noted the requirement for a system approach to address the financial challenge.

**8. Financial Performance Report Month 7**

TP referred to the report which advised that the CCG continued to report a £24.1m risk adjusted forecast deficit and noted unmitigated risk of £6.77m. TP agreed to circulate a slide pack from a joint exercise with NHS England to validate the £24.1m.

In respect of continuing healthcare, risk adjusted by c£1m, TP referred to the earlier discussion but noted a greater degree of confidence in forecasting as a result of the new methodology introduced following Neil Lester's work (also referred to at agenda item 14) and therefore a higher risk of the outturn being more in line with the gross risk figure.

TP noted the expectation of the £6.8m net risk to come through in the year end forecast highlighting the need for more system support. She advised that JH was following up discussions with and letters to partner organisations on a system approach noting that confidence in the £24.1m was required to inform month 8 reporting. TP additionally noted that actions taken by the CCG in 2016/17 would be non recurrent and therefore not require pay back in the 2017/18 plan.

PM reported that he had sought legal advice on payment models relating to acute contracts. Advice suggested that at the present time there was no precedent for moving to paying for planned activity as opposed to outturn and significant further work would be required to justify consideration. The judgement was therefore of no legal case to support progressing this approach.

**The Committee:**

1. Noted the month 7 financial performance report.
2. Noted that TP would circulate slides from the joint exercise with NHS England to validate the £24.1m forecast deficit.

*LA, AB, PH and SM joined the meeting*

**13. QIPP Dashboard**

RP referred to the new format QIPP Dashboard proposing discussion by exception of schemes not delivering and areas that posed risk to the £24.1m forecast deficit position.

In respect of 'Red, Amber, Green' (RAG) rating FB highlighted an increase in the schemes assessed as 'amber' and 'green' and fewer as 'red'. The following exceptions were considered:

#### *Complex Care Dashboard*

The City of York Council Joint Funded Continuing Healthcare Review would be progressed through wider integration work. The North Yorkshire County Council review had already begun.

#### *Integrated and Community Care Dashboard*

The Integrated Care Team Roll-out was assessed as 'red' due to inequity of access across the CCG at the present time. The NIMBUS Alliance city centre scheme was expanding to cover all Practices by Christmas. An Accountable Care System workshop was taking place on 8 December which would inform the practicalities of progressing this work.

RightCare focus had been agreed as cardiovascular disease, gastroscopy and MSK. However, TP noted that the financial opportunity for respiratory required further consideration as it was included in the 2017/18 QIPP.

AB reported that Community Diabetes was currently delivering and there was ongoing review of the integrated service across the Vale of York. LS advised that the monitoring reports were being revised noting that savings had been delivered against the acute spend.

#### *Planned Care Dashboard*

The anticipated savings from the ENT and audiology virtual clinics were not being achieved as the capacity released from this project was being utilised for alternative provision. The Finance and Contracting Teams were following this up with York Teaching Hospital NHS Foundation Trust for resolution prior to contract signature on 23 December.

Confirmation from NHS England was awaited on the final draft of the threshold for cataract surgery following the standstill period relating to the recent BMI issues. Implementation was now expected in January 2017.

#### *Prescribing Dashboard*

LA advised that there was no change for repeat prescriptions. This was dependent on support from community pharmacists but Practices had been asked to report instances. In response to JS offering assistance, as community pharmacist contracts were held by NHS England, LA requested that any reported instances be followed up.

LA reported that the Branded Generic Medicines Policy had been approved but Practices required support for its implementation. As the Medicines Management Team did not have the capacity she was presenting options for consideration by Senior Management Team on 29 November. FB added that a workforce solution was required for the short term but in the longer term this should be across the STP footprint. Currently agency staff were being used which was expensive. LA explained that the savings target was c£1m and that the only way to expedite delivery was for support in Practices. She also noted that issues of Practices using branded generics had recently



been resolved. LA confirmed that prescribing policies were in place but required implementation required support.

#### *Primary Care Dashboard*

SM explained that the GP Workforce Review Phase 2 was not a QIPP in terms of savings but a strategic enabler for new models of care and to create capacity in General Practice through sharing workforce. Funding had been made available through the Pioneer Programme and SM was working with Practices.

PM emphasised that the CCG must provide management capacity to support Practices to implement change. He highlighted that LA and SM needed support for this to be progressed and that system change would only be achieved through clinical understanding and ownership.

As this work related to new models of care JH referred to the accountable care meeting on 8 December and the need for consideration in the context of integration with community teams.

FB reported that the Primary Care DVT Pathway was being progressed via the Ambulatory Care Unit and would be removed from the dashboard.

In response to JH proposing changes from current weekly QIPP reporting to assurance that key actions on 'red' schemes were progressed, KR supported an approach that enabled the executive team to operate in the most efficient manner.

#### *LA, AB, PH and SM left the meeting*

PM referred to the £1.6m "gap" and the need for options to be developed to address this.

MC reported that implementation of the BMI thresholds for elective surgery was planned for 1 January 2017. The threshold for cataract surgery had been discussed under QIPP.

JH sought clarification regarding community beds noting potential for options to be considered if the contract was for 100% occupancy but this was not being utilised.

MA-M, JH, LS and EW agreed to draft proposals to address the "£1.6m" gap for consideration by the Governing Body as an additional item at the 1 December meeting.

#### **The Committee:**

1. Noted the ongoing focus of effort and resource for the expansion and delivery of the QIPP programme to off-set in-year financial risk and support development of a sustainable financial position for the CCG in the medium term.
2. Requested that MA-M, JH, LS and EW draft proposals for to address the "£1.6m" gap for consideration by the Governing Body as an additional item at the 1 December meeting.

## **15. Primary Care Rebate Scheme Policy and 16. Primary Care Rebate Scheme Decision Forms**

Due to time constraints KR proposed that approval of the Primary Care Rebate Scheme Policy and Primary Care Rebate Scheme Decision Forms be delegated to PM and himself. TP confirmed that these reports had been through the required process.

### **The Committee:**

Agreed delegated authority to PM and KR for approval of the Primary Care Rebate Scheme Policy and Primary Care Rebate Scheme Decision Forms.

*Post meeting note: PM and KR met with Alex Molyneux, Senior Pharmacist, on 7 December. Following discussion they approved the updated Primary Care Rebate Scheme Policy and the Primary Care Rebate Scheme Decision Forms relating to 004, 005, 006, 009.*

## **12. Better Care Fund 2016/17**

EW referred to the report which provided an update on the 2016/17 Better Care Fund noting that work was ongoing. A £1.2m financial risk share, on a 50:50 basis, had been agreed for 2016/17 with City of York Council.

EW explained that the anticipated efficiencies were not being achieved from the Better Care Fund due to financial constraints but the intention was for the 2017/18 plan to be agreed and managed jointly to improve patient care. KR emphasised the need for a shared understanding of the Better Care Fund in the context of an accountable care system.

EW advised that there was no risk share arrangement with either North Yorkshire County Council or East Riding of Yorkshire Council.

JS noted that the Better Care Fund should not be the subject of annual negotiation but should be integral to strategy and integration of health and social care. He agreed to provide support where appropriate.

### **The Committee:**

1. Noted progress on implementing the Better Care Fund for 2016/17.
2. Noted the high level description of 2017/18 Better Care Fund requirements.

## **9. Ambulatory Care**

LS reported that detailed information was awaited following the CCG's issuing of the Query Notice due to the increase, instead of the planned reduction, in activity in the Ambulatory Care Unit. She highlighted in particular issues relating to paediatric zero length of stay. MA-M explained it had been agreed at the last Contract Management Board that if an appropriate response was not received by the end of November the CCG would invoke the full process.

EW noted that this issue affected other parts of the system including non elective admissions having impact on the Better Care Fund performance. She advised that this had been highlighted in returns that had been submitted.

LS explained that coding and contracting challenges were expected to reduce activity levels and that assessment units, currently coded under tariff as in-patient, should be charged at unit price and exclude activity.

**The Committee:**

Noted the update.

**10. Contract Report**

This item was not discussed due to time constraints. The previous iteration had been considered in detail at the last meeting of the Quality and Finance Committee.

**11. Performance Report**

JH referred to performance at York Teaching Hospital NHS Foundation Trust regarding A and E targets, ambulance handover times, cancer and referral to treatment time. He reported that an action plan was in place for each of these areas either through the CCG or the appropriate network and activity was being reviewed. JH also noted that discussion was taking place on infrastructure due to difference in performance at the York and Scarborough sites early in the week.

In response to KR expressing concern at impact on the Sustainability and Transformation Fund from A and E performance at York Teaching Hospital NHS Foundation Trust, PM reported that these issues were being considered at the A and E Delivery Board. He confirmed that, although the Sustainability and Transformation Fund target was different, the statutory duty for A and E performance was 95%.

JH noted a slight improvement in dementia diagnosis coding, 54.7% against the target of 66.7%, and reported that discussion was taking place with NHS England regarding utilisation of the c£7k funding to address this. AP additionally referred to the report on this issue to the Part II Governing Body meeting on 3 November and noted Louise Barker's work in this regard.

**The Committee:**

Noted the ongoing performance issues.

*JH left the meeting*

**14. Continuing Healthcare Update**

MC referred to the report which described work undertaken by Neil Lester, former Senior Finance Manager, and support from Nancy O'Neill, Director of Collaboration at NHS Bradford CCG. It also included efficiencies achieved, plans to improve both already in mobilisation and under development. MC also referred to the £2.8m impact

of NHS Harrogate and Rural District CCG's withdrawal from the risk share agreement in 2014.

MC requested that members consider any further potential areas for consideration.

**The Committee:**

Noted the progress to date on Continuing Healthcare and outline plans moving forward.

**17. Clinical Executive Report: Circulation**

This item was not discussed due to time constraints.

**18. Key Messages to the Governing Body**

- £24.1m financial risk
- QIPP risk
- Draft Financial Plan
- Continuing Healthcare
- Transfer of capacity for continuing healthcare and mental health from the Partnership Commissioning Unit to the CCG

**The Committee:**

Agreed the above would be highlighted by the Committee Chairman to the Governing Body.

**19. Next meeting**

9am to 2pm, 22 December 2016

**NHS VALE OF YORK CLINICAL COMMISSIONING GROUP FINANCE AND PERFORMANCE COMMITTEE**

**SCHEDULE OF MATTERS ARISING/DECISIONS TAKEN ON 24 NOVEMBER 2016 AND CARRIED FORWARD FROM THE FORMER QUALITY AND FINANCE COMMITTEE**

Reference	Meeting Date	Item	Description	Responsible Officer	Action Completed/ Due to be Completed by (as applicable)
QF61	22 September 2016  20 October 2016  24 November 2016	Quality and Performance Intelligence Report	<ul style="list-style-type: none"> <li>Report from the York Contract Management Board following its review of the Ambulatory Care Unit activity.</li> </ul>	TP	20 October 2016  Report to go to the new Finance and Performance Committee  Ongoing
QF63	20 October 2016  24 November 2016	QIPP Report	<ul style="list-style-type: none"> <li>Clinical Executive to review progress with Community Diabetes and prepare a bid for submission to NHS England against available funding following review by Senior Management Team</li> <li>Clinical Executive to present a report on progress with RightCare areas including engagement plan</li> </ul>	AP  AP	November 2016  Ongoing  Deferred to 22 December meeting

			<ul style="list-style-type: none"> <li>• Clinical Executive to identify opportunities to progress community IV work and submit a proposal to Senior Management Team</li> <li>• Work on opportunities for prescribing savings</li> <li>• Procedures of Limited Clinical Value / Clinical Thresholds communications plan for 1 December implementation</li> </ul>	<p>AP</p> <p>LA/FB</p> <p>MA-M, MC, SOC</p>	<p>To go to Executive Committee</p> <p>Workshop arranged for 13 December</p> <p>Implementation delayed to January 2017</p>
QF66	20 October 2016	Corporate Risk Report	<ul style="list-style-type: none"> <li>• Report on public/patient engagement in service developments</li> </ul>	RP	Proposal to be considered by February meeting of the Quality and Patient Experience Committee
F&P01	24 November 2016	Matters Arising – Delegated Prescribing Budgets	<ul style="list-style-type: none"> <li>• Proposal to December Executive Committee if established, otherwise December Finance and Performance Committee</li> </ul>	AP/TP	22 December 2016 meeting if Executive Committee not established
F&P02	24 November 2016	Draft Terms of Reference	<ul style="list-style-type: none"> <li>• Amendments to be made for further consideration at the next meeting</li> </ul>	PM	22 December 2016