

Finance and Performance Committee Meeting

Tuesday 26th September 2017, 3.00 – 5.30 pm
St Paul's Church, Hammersmith

Governing Body		
Nick Martin	Lay member, H&F Clinical Commissioning Group (Chair)	NM
Tony Willis	GP and Governing Body member	TW
James Cavanagh	GP and Governing Body member	JCa
Janet Cree	Managing Director, H&F Clinical Commissioning Group	JC
Shelley Martin	Head of Finance, Hammersmith and Fulham CCG (Deputising for the Chief Financial Officer)	SM
Paul Skinner	GP and Governing Body member	PS

Officers in attendance:		
Sue Roostan	Deputy Managing Director, H&F Clinical Commissioning Group	SRO
Helen Poole	Deputy Managing Director, H&F Clinical Commissioning Group	HP
Andy Petros	Secondary Care Consultant	AP
Sharon Robson	Associate Director of Finance, H&F Clinical Commissioning Group	SR
Davey Thomason	Associate Director and three Borough BCF Lead	DT
Caroline Boswell	Director of Finance, System Wide Transformation, Strategy & Service Transformation Team	CB
Margaret Kelly	Business Support Manager, H&F Clinical Commissioning Group (minutes)	MK

Item	Agenda Item /Discussion	Action Owner
1.	Apologies	
1.1	Apologies were received from Keith Edmunds.	
2.	Minutes of the Previous Meeting	
2.1	The minutes of the previous meeting were approved as an accurate record of the meeting.	
3.	Conflict of Interest	
3.1	The previously acknowledged potential conflicts of GPs as commissioners and providers were noted.	
4.	Matters Arising/Action Log	
4.1	The outstanding actions were reviewed and discussed. Please refer to the actions table for updates.	
5.	Corporate Risk Register – Financial Risks	
5.1	NM introduced the Corporate Risk Register Financial Risks. The committee noted the sixth iteration of the CCGs local Corporate Risk Register in particular the Financial Risks and additional work required to provide the committee with a greater level of assurance.	

6.	Better Care Fund (BCF) Budget and BCF plan – 2017/18																											
6.1	<p>DT presented the Better Care Fund (BCF) Budget and BCF plan for 2017/18. He informed the committee that the plan was submitted to the Health and Wellbeing Board (H&WB) on the 11th September where it was approved and had been shared with CCG Chairs and Managing Directors. DT explained that in terms of next steps, he was awaiting NHS England (NHSE) assurance and said the plan will either be assured or assured with conditions.</p> <p>DT stated that H&F CCG received 1.79% uplift for the CCGs minimum contribution, which covers the Community Independence Service (CIS) and Local Authority (LA) funded element only, the Section 256 agreement and Care Act. DT highlighted that in 2018/19 the CCG would receive 1.9% uplift.</p> <p>DT noted a £1m QIPP for H&F currently shown as green as the money was logged last year (2016/17) for the purpose of transformation. However, due to a worsening financial position it was agreed that the lodged funds would be used to offset the QIPP requirement. DT said the CCG would still need to undertake transformation work this year in order to identify recurrent savings from 2018/19.</p> <p>DT reported that this year the Department of Health (DoH) announced an additional Improved Better Care Fund (iBCF); with the funds paid directly to the LA, pooled through Section 75 and should be agreed by the H&WB and CCGs. DT noted that the below table provide an overview of how the year one iBCF resources would be utilised.</p> <table border="1" data-bbox="178 1122 1321 1496"> <thead> <tr> <th data-bbox="185 1131 639 1189">Borough</th> <th data-bbox="646 1131 799 1189">Westminster (£m)</th> <th data-bbox="805 1131 895 1189">K&C (£m)</th> <th data-bbox="901 1131 1206 1189">H&F (£m)</th> <th data-bbox="1212 1131 1315 1189">Total</th> </tr> </thead> <tbody> <tr> <td data-bbox="185 1198 639 1256">Market Stabilisation</td> <td data-bbox="646 1198 799 1256">2.128</td> <td data-bbox="805 1198 895 1256">1.35</td> <td data-bbox="901 1198 1206 1256">1.457</td> <td data-bbox="1212 1198 1315 1256">4.935</td> </tr> <tr> <td data-bbox="185 1265 639 1346">Demographic Pressures/Additional Capacity</td> <td data-bbox="646 1265 799 1346">4.62</td> <td data-bbox="805 1265 895 1346">1.15</td> <td data-bbox="901 1265 1206 1346">2.852</td> <td data-bbox="1212 1265 1315 1346">8.622</td> </tr> <tr> <td data-bbox="185 1355 639 1413">Transformation and implementation of High Impact Change Model</td> <td data-bbox="646 1355 799 1413">2.172</td> <td data-bbox="805 1355 895 1413">1.448</td> <td data-bbox="901 1355 1206 1413">0.919</td> <td data-bbox="1212 1355 1315 1413">4.539</td> </tr> <tr> <td data-bbox="185 1422 639 1480">Total</td> <td data-bbox="646 1422 799 1480">8.92</td> <td data-bbox="805 1422 895 1480">3.948</td> <td data-bbox="901 1422 1206 1480">5.228</td> <td data-bbox="1212 1422 1315 1480">18.096</td> </tr> </tbody> </table> <p>DT informed the committee of the work happening to reduce delayed hospital discharges through implementation of the High Impact Change Model for managing hospital discharges. He noted a number of identified risks; in particular, the CCG contribution to the LA towards reablement, homecare and equipment, within the CCG minimum contribution and one of the BCF requirements. DT added that as the current contract ends on 31st July 2018, and these monies were always planned as a non-recurrent funding stream, it would need to ensure the CCG does not fund this beyond 31st July 2018, however would need to substitute the amount to fulfil the CCG minimum requirement.</p> <p>DT noted that a quarterly report would be presented at future meetings. TW asked for the report to provide greater clarity of the key outcomes for each element of the plan. DT agreed to triangulate the data for each scheme, for the next report. NM suggested that a set of parameters and objectives be included in the report and requested further information on the measurements and timescales in the future. SRO said BCF was quite complicated and suggested holding a discussion at a future governing body</p>		Borough	Westminster (£m)	K&C (£m)	H&F (£m)	Total	Market Stabilisation	2.128	1.35	1.457	4.935	Demographic Pressures/Additional Capacity	4.62	1.15	2.852	8.622	Transformation and implementation of High Impact Change Model	2.172	1.448	0.919	4.539	Total	8.92	3.948	5.228	18.096	<p>DT</p> <p>DT</p>
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	<p>seminar once the S75 review concludes. She added that BCF includes a mixed budget with a number of service lines and would need to consider what it will look like going forward to achieve greater outcomes.</p> <p>JC said holding a discussion of the plan at a future Governing Body (GB) seminar should allow members to have a greater understanding of the benefits; key measures (parameters) key outcomes, timescales and CCG financial commitments and value for money.</p> <p>SM mentioned the financial implications; and how this was reflected in the financial position and current annual budget and the significant CCG contribution. She added that three of the schemes are not progressing therefore should release some small benefits. SM said the largest element was the Joint S75 over £1.1m with variable performance reported by the LA.</p> <p>DT informed the committee that the quarter 2 template was released with the budget and level of spend agreed, but required the detailed information behind it. DT mentioned spending the money more efficiency and challenging the LA around how the money was used.</p> <p>NM welcomed the committee receiving quarterly reports but asked for the report to include metrics and timescales. DT mentioned the 2016/17 co-designed flash report and agreed to revisit it to ascertain what was useful in terms of outcomes and benefits and would share the report with the committee virtually to obtain their feedback.</p> <p>The committee noted and endorsed the Three Borough Integration and Better Care Fund Plan 2017-19</p>	DT
7.	Finance and Activity - 2017/18	
7.1	<p><u>Month 5 Finance Report – 2017/18</u></p> <p>SM introduced the report. She explained that at month 5, the CCG continues to report on plan both year-to-date (YTD) and against the forecast outturn, however, the net risk position remains of concern as the most likely case was a CCG deficit of £3.6m.</p> <p>SM said based on the risk adjusted forecast outturn position urgent action was required to enable the CCG to achieve the control total and would need to review the risks and opportunities to recover the position.</p> <p>SM noted that the acute position had deteriorated in month and the forecast outturn position had worsened by £2.59m, of which £1.9m relates to a revision in the assumptions concerning the level of QIPP that could be achieved in the remaining months of 2017/18. She added that the back-ended QIPP adjustment within acute had reduced to £0.4m, which was a more realistic assessment.</p> <p>SM discussed the risks and opportunities at month 5. She reiterated a net risk of £3.6m; a reduction on the net risk of £4.3m reported in the previous month. SM noted two additional risks identified in month relating to an increase in the cost of generic prescribing and secondly due to the balance sheet forecast outturn and reliance on a higher level of benefit from the balance sheet than currently identified and finalised. SM noted an increase in opportunities from premises reserve within the delegated primary care budgets, which are likely to cover the risks identified.</p> <p>SM reported that month four showed a QIPP shortfall of £3.2m and the current QIPP forecast was £7.2m against the £19m QIPP, with under delivery affecting the financial</p>	

position. SM added that the year to date (YTD) QIPP position was an achievement of £3.18m against the plan of £4.45m, which represents delivery of 71%. SM added that YTD based on forecast outturn that the CCG anticipates delivery of £12.18m (63%) against the £19m QIPP, a reduction from month 4.

TW queried if QIPP should be reflected as red in the executive summary. SM agreed to take a view from the committee around how best the information should be presented. JC said the financial position at month 4 was deliberated at the governing body and Philip Young, lay member said the executive summary showed the month 4 position as better than the actual position. JC said the committee would need to agree that the paper reflected the executive summary. The committee supported the executive summary revised rag rating, considered it fair and reflective of the current financial position. HP mentioned the principle of using the rag rating and the subjective call on risks; but wanted to see the definition on parameters, and have a clear understanding of the position. SM said it was unclear if all CCGs included a rag rating in their individual CCG reports. HP queried the different forms of reporting and asked if a collective form of reporting should not be used. SM clarified that the rag rating reported to NHSE was consistent for all CCGs, and included the QIPP and overall control total position. SM noted that the rag rating was altered and showed a worsening position based on governing body feedback. JC noted at month 5 there are more amber than green ratings, but needed to ensure it was taking the right steps and working at the right pace to address the position, as the CCG would ultimately be held to account.

NM asked if the CCG were progressing at the right pace to be in a better position moving into 2018/19. JC responded that the CCG were under delivering on QIPP with too much reliance on the balance sheet and reserves to address any gaps.

SM discussed the acute contract YTD performance and forecast outturn based on the YTD position and reported overspend of £7.9m, adjusted down by £0.4m to reflect QIPP not in the YTD position, expected to be delivered later in the year. SM highlighted the significant movement from the position reported in month 4, where back-ended QIPP was assumed as £1.95m, driving the worsening in the forecast at M5.

SM informed the committee that the prescribing forecast had worsened this month following the use of the recently released NHSE prescribing monitoring document (PMD) to generate the position. She added that this has led to a worsening of £1.5m, partially offset by £0.7m to reflect the Choosing Wisely initiatives due to come on line later in 2017/18.

SM reported underspends in both Community and Continuing Healthcare (CHC) and reiterated that the BCF plan had released some budget for those schemes not progressing this year, and a number of CHC placements following reassessment had resulted in a reduction in CCG costs.

SM reported that regarding the balance sheet opportunities that £3.9m was released into the position with a further £2m in the forecast outturn to assist the CCG report on plan, but includes an element of risk as the £2m balance sheet gains may not come to fruition. She added that this would allow the CCG some headroom before having to report a deficit, but that we are not the only CCG in this position. SM noted that additional work was happening on the balance sheet to provide a more accurate forecast and the range of benefits.

	<p>TW asked what a negative control total at the end of 2017/18 would mean for the CCG. JC said that overall NWL would be in turnaround with individual CCGs required to go through additional scrutiny with management brought in to support this. NM asked if the CCG anticipated achieving the control total with support from the balance sheet benefits. SM responded that the risks and opportunities would need to be assessed to determine the year-end position. JC added that at month 6 the CCG should have a best estimate of the balance sheet gains but also need to go through the other benefits and risks. SM noted that based on the CCGs current position there were potential opportunities through investment slippage and from the primary care budgets. SM reiterated that a net risk of £3.6 was the most likely forecast outturn with greater focus on this to improve the position.</p> <p>SM added that to address the financial position that the QIPP Delivery Group (QDG) would be reviewing QIPP schemes to maximise the 2017/18 achievements. She added that the group would review the risks and opportunities to ensure risks are reduced and to maximise the opportunities and investment decisions and discretionary spend for the remainder of the year. SM said the QDG would also review the investments made this calendar year to see how many are implemented, the savings generated and take this to the governing body seminar to assess the opportunities to reduce discretionary spend where possible. JC reported that the management team in the first instance would be reviewing the financial position; the investments decisions made to date and the process it went through, prior to holding a governing body seminar discussion in October.</p> <p>The committee noted the month 5 finance update.</p>	
7.2	<p><u>Imperial Contract Performance and trend analysis - month 4 2017/18</u></p> <p>SR presented the month 4 Imperial report. She informed the committee that year to date (YTD) there were unmitigated/mitigated variance of £2.38m/(£2.03m respectively and an in-month adverse movement of £703k, which represents a £0.2m deterioration on trend.</p> <p>SR stated that QIPP delivery was behind target with £1.96m deducted YTD. She added that if QIPP were removed from the plan the adverse variance would reduce to £74.</p> <p>SR reported that YTD adverse mitigated variance included some favourable variances against critical care of £356k, high cost drugs and devices of £93k and maternity of £65k, but these could not be relied upon going forward.</p> <p>SR informed the committee that based on month 5 actual data there was a £0.5m lower than expected spend compared with the previous month, to be reflected in the next reporting cycle, which should support the financial position. She noted the non-elective (NEL) coding issues and challenge being pursued with the Trust of between £2m – £1.5m YTD across the 8 CCGs. SR said once the NEL coding issue was resolved it should provide more realistic reporting. SR noted the Trust was coding more sepsis activity, but this did not alter the position.</p> <p>SR reported RTT performance was ahead of trajectory, which explains the partial planned care pressure YTD. She added that a data validation exercise of RTT, not currently reflected in the position, has added additional patients to the list, which will affect RTT going forward. She noted a high level of risk around the RTT capped expenditure plan and forecast adjustment, due to ongoing data issues at the Trust.</p>	

	<p>SR mentioned the flooding in the Patterson wing and closure of 2 theatres for a period of 2-3 weeks, which was not planned for, to allow the building to return to full operational use. SR noted less activity delivered over this period but said it awaits the activity levels to come through. SR said there remain problems with LAS activity but hope the August figures show an improved position.</p> <p>SR said that critical care was significantly (23%) below plan, driven by volume, which could be an area of opportunity. SR noted it was looking to move to charging on a monthly basis rather than on discharge and will pilot for 3 months then go live in the latter part of the year.</p> <p>SR informed the committee that contracting team are now approaching next year's planning round and would need to close down areas and discuss the reported outturn.</p> <p>The committee noted the Imperial month 4 performance and trend analysis report for 2017/18 and brief overview of the month 4 position</p>	
7.3	<p><u>IAPT Wave 2 Long-term Conditions Funding</u></p> <p>SRo informed the committee of the agreement for the CCG to part fund the NHS IAPT Wave 2 Long Term Conditions bid and wanted to ensure the committee was sighted on the letter of agreement dated 6th September 2017. The committee noted that the decision was taken by Clare Parker, Chief Officer to fund the bid, which will create a cost pressure to the CCG of £119,556 in 2018/19.</p> <p>JC reported that the decision did not go through the normal decision making and governance process but was added to the investment list and taken here for noting. SM said that the match funding starts in 2017/18.</p> <p>The committee noted the decision taken by the Chief Officer to fund the IAPT Wave 2 Long Term Conditions bid which will create a cost pressure for the CCG of £119,556 in 2018/19</p>	
8.	QIPP 2017/18 - Month 5 Performance Report plus QIPP Delivery Group minutes and actions	
8.1	<p>HP introduced the month 5 QIPP report, QIPP Delivery Group minutes and actions. The committee noted that YTD net savings of £3,181k were delivered which shows an adverse variance of 34% and a gap of £1,270k.</p> <p>HP said the forecast was to deliver net savings of £12,180k against the QIPP plan of £19,428k, a gap of £7,249k (63% delivery) taking into account new schemes identified with an in-year benefit of £783k. HP said the overall financial position of the CCG, which was impacted by a gap against the QIPP plan, was mitigated by the release of balance sheet items and contingencies on a non-recurrent basis.</p> <p>HP informed the committee of the wider QIPP discussion at next month's Joint F&P and Quality Committee. She added that an additional list of opportunities would be provided to the committee and some narrative for the additional CIS activity agreed. HP said in terms of rapid response reporting of numbers that the CCG has not seen a reduction in NEL activity; therefore would need to establish what was driving the assumptions and activity seen.</p> <p>TW commented on the clinical and service outcomes and asked if activity levels were measured. HP clarified that it included a mixture of qualitative and quantitative KPI's with a reduction in avoided admissions one of the KPI's. HP said the validation and</p>	

	<p>clarity on numbers should assist with next year's re-procurement.</p> <p>HP said the CCG are not meeting the extended hours target however since October all GP practices are open core hours, which has an overall net benefit to the CCG.</p> <p>The committee noted the month 5 QIPP performance report plus QIPP Delivery Group minutes and actions</p>	
9.	Month 5 Strategy and Transformation (S&T) Budget update	
9.1	<p>CB presented the month 5 S&T budget update. She informed the committee that the 1% contribution across NWL CCGs was approved with the exception of Harrow CCG, not required to contribute. CB added that details of the provider support element of the S&T overall budget was detailed in the proposal paper. She added that S&T had been successful in securing external funding for the Diabetes Transformation Programme of £2.3m; Early Adopters Programme £0.9m, Mental Health IAPT of £1.0m and NWL Radiology Reporting Network of £2.0m.</p> <p>CB discussed the S&T month 5-budget report for 2017/18; she explained that the overall budget of £25.2m covers the operational aspect, provider support, contingency and primary care smoothing and would need to operate within this budget. She acknowledged the CCGs financial position across NWL and no additional funds in the system available towards SOC1. CB explained that £3m of the S&T budget had been ring fenced towards SOC1 and would hold a discussion with the Chief Financial Officer around the management of these funds and how utilised effectively. CB added that over the past few weeks it has reviewed all projects in the delivery areas to establish the priority areas by obtaining senior leads views. CB explained that the outcome of the review would be shared with CCGs to make them aware that projects were being managed within reduced resources by making the best use of funds and to discuss the priority projects it wants S&T to focus on and prioritise.</p> <p>CB added that S&T were also looking at the impact of changes for the 2018/19 plans with greater focus on the bigger areas and having less QIPP schemes. SM discussed the H&F budget for 2017/18 and reduced forecast by 1% and assurance provided by S&T that there was no H&F risk associated with SOC1 and asked for assurance that the SOC1 costs would materialise. CB assured the committee that the SOC1 costs would transpire and S&T are in the process of working out the costs with £1m per site. CB added that S&T are mindful that no additional CCG monies were available to support this therefore accept that S&T would hold this risk. CB said that S&T would need to find the three to four months consultancy costs to work on SOC1 together with balancing the books.</p> <p>NM queried how far above S&T was in spending the £25.2m. CB clarified that prior to finding £3m of savings; that S&T had almost £12m of spend unfunded which they needed to manage. She added that S&T had approached NHSE for funding, however had not planned for this materialising.</p> <p>JC commented on the IAPT funding listed on page 6 of the report and indicated that the report would need to reflect the areas that require funding and level of CCG funding required. JC asked for the £120k HFCCG contribution towards mental health IAPT to be reflected as an additional funding source, over the 1% contribution, and be added to the investment list. JC added that the money required was based on the number of trainees in place; therefore, any failure to recruit to posts would mean that H&F are not required to contribute. SM explained that a total of £240k funding was required with NHS England to fund 50% of the costs in 2017/18; with 2 trainees to be recruited to by 1st October 2017, and H&F would pick up the other 50% costs (£120k)</p>	CB

	in 2018/19. SM clarified that there was a cost pressure of £120k for H&F in 2018/19. The committee noted the month 5 S&T budget update	
10.	CWHHE Workforce Report	
10.1	The committee noted the CWHHE Workforce Report.	
11.	Any Other Business	
11.1	The committee noted that concerning the Enhanced Primary Care Contract for 2018/19; that a decision was taken by the governing body to delegate the direct award of the contract at the Investment Committee and take the decision to the Primary Care Commissioning Committee for oversight.	
11.2	JC informed the committee that this was Helen Poole's last CCG meeting before she goes on secondment to take up her new role as Director of Transformation at Hammersmith and Fulham GP Federation. She thanked her, on behalf of the CCG and governing body members, for her invaluable contribution to the CCG over the past two and a half years and wished her well in her new role.	
Date of next meeting: Tuesday 24th October, 3.00 - 5.30 pm, St Paul's Church, Hammersmith		