Finance and Performance Committee Meeting

Tuesday 24th October 2017, 3.00 – 5.00 pm
St Paul's Church, Hammersmith, London W6 9PJ

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 Vice Chair, Hammersmith and Fulham Governing Body	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
Toby Hyde	Head of Strategy, H&F Clinical Commissioning Group	TH
Nicola O'Connor	Contract Finance Manager, H&F Clinical Commissioning Group	NoC
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, Andrew Hyslop and Andy Petros.	
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. Conflicts of interest were noted for item 6 - Primary Care Investment 2017/18 for all GP members in attendance.	
4.	**Matters Arising/Action Log**	
4.1	The outstanding actions were reviewed and discussed. Please refer to the actions table for updates.	
5.	**Month 6 Finance Report – 2017/18**	
5.1	SM introduced the report. She explained that at month 6, the CCG continues to report on plan in both year to date and forecast outturn. However, this relies on a significant level of back-ended QIPP being delivered later in the year, and the release of non-recurrent balance sheet gains. Consequently, the risk and opportunities are assessed to be a net risk. SM reported that in terms of risks and opportunities at M6 that H&F CCG shows a net risk of £1.24m, a reduction on the £3.6m reported the previous month. SM highlighted that the improvement of £1.6m was largely due to improvements in the position for the acute forecast and additional work undertaken to give a more robust assessment of the balance sheet position. SM reported that the risks reduced slightly as the risk of over committing the balance sheet gains was removed. She added that opportunities had increased as additional gains had become available. SM said that	

Item	Agenda Item /Discussion	Action Owner
	the CCG still faces a net risk this year and large deficit in 18/19 due to the lack of available reserves. SM emphasised that an area that requires greater focus this year was in assessing winter pressures with 1% deterioration assumed in the current acute forecast. SM reiterated that back ended QIPP was included in the forecast and level of risk associated with its delivery. SM said that prescribing and generic drug costs were causing pressure on the system with further work required on the balance sheet to improve the forecast. SM discussed the collaborative risks and noted a net risk of £1.3m for H&F, £13m for CWHHE CCGs and £23m across NWL CCGs in order to achieve the control totals in 2017/18. SM reported that the net risk for CHHWE CCGs had reduced by 24.5% from £17.52m to £13.2m between M5 and M6. SM highlighted that the CCG reports the underlying position to NHSE on a monthly basis. She added that if you look at the current forecast outturn position, remove non-recurrent monies and assume back-ended QIPP was delivered, it would show a CCG forecast and underlying deficit of £0.5m. By contrast, if a risk adjusted position and worst case view of QIPP delivery was considered, the CCG could be faced with an underline deficit of up to £5.07m going into 2018/19, which would significantly impact the gap in the CCGs 18/19 planning, and the savings target it would need to set to deliver a balanced plan. SM informed the committee that the worst case scenario would be that the CCG would start 18/19 with a deficit of £5.07m and a QIPP ask of circa £10 - £12m for next year. TW queried the QIPP ask for this year and savings plan of £19,428k. SM clarified that the QIPP ask was £5.9m by the end of the year (17/18), but without achieving back-ended QIPP such as prescribing wisely the CCG would not deliver the £5.9m savings. SM added that the CCG would need to look at growth and for 18/19 anticipate an increase of between 4 to 5% therefore the QIPP ask would be circa £11m to £12m based on the current position. SRo highlighted that the CCG would not have non-recurrent reserve available to support this in 18/19. SM noted the CCG QIPP target for 17/18 started at £14m but grew to £19m taking into account capped expenditure. SM reiterated that the CCG were forecast and likely to achieve the control total in 17/18, but do not envisage any accruals being carried forward into 18/19. SM reported a great deal of variation across the CWHHE position. She explained that the other programme service line covered corporate and estates costs and the non-acute position and balance sheet. She reiterated that the balance sheet reserves were being utilised to mitigate the gaps but Central London CCG did not have the same balance sheet flexibility as H&F. NM questioned whether West London CCG (WLCCG) was no longer making a surplus. SM clarified that all CCGs were forecasting on plan and the risk for WLCCG relates to external funding and Grenfell costs. SM added that the worsening WLCCG position, also impacts the CWHHE position. SM informed the committee that Keith Edmunds, Chief Financial Officer, had written to CWHHE F&P Chairs and Managing Directors, following on from a review of the 2017/18 spending commitments and costs against their expected payback which was held at October's governing body clinical seminar. SM explained that the CWHHE Finance Team had devised a process and list of actions for CCGs to take forward over the next few weeks to improve the financial control in the second half of the 2017/18 financial year, and report back on the bottom line. This includes:	

Item	Agenda Item /Discussion	Action Owner
	• *A review of discretionary spend and the investment pipeline* • *For CCGs to review the known pipeline of intended spend* • *Central contracts to produce a report and contract register for the F&P committee on the contracts they currently manage and pipeline of contract renewals* SM said that the Heads of Finance (HoFs) have met to assess the net risks across CWHHE. She said in terms of next steps, that a discussion was had at the governing body seminar to review the schedule of investment in the pipeline and a list of investments over the past 12 months. Additionally, it discussed the business cases approved and deliberated the costs and benefits of each investment. SM said it looked at the overall costs, identified slippage and QIPP investment and whether as a CCG it should continue to support these investments. Furthermore, it focused on those schemes not yet started. It had concluded that planned investment of £81k could be stopped. SM said it was anticipated that the H&F month 6 net risk of £1.2m would increase but the CCG would need to focus on how to manage the gap, address the risks associated with the additional areas and how to reduce spend before year end. SM asked for any comments back on the best approach in managing these risks. SM said that Keith Edmunds, Chief Financial Officer, had a more consistent view of the collaborative net risk and gap of £13m and what could be managed locally at CCG level and how the risks should be managed. The committee: • **Noted and discussed** the month 6 finance report. • **Noted** the actions outlined by the Chief Financial Officer to improve the financial control position in the second half of 2017/18	
6.	**Primary Care Investment - 2017/18**	
6.1	TH presented the business case. He explained that historically Primary Care in Hammersmith and Fulham (H&F) has been under-funded, in comparison with other areas of the country. He added that in order to rectify this issue, H&F CCG, the commissioner responsible for agreeing spending plans for these additional monies in line with its statutory responsibilities, would receive accelerated growth monies over the next four years. TH explained that the value of additional funding allocated specifically towards Primary Care in H&F equates to £1.3 million for 2017/18. TH said that the business case sets out how H&F CCG proposes to use this additional investment to: • *accelerate the implementation of the joint CCG and Federation Primary Care Strategy to support delivery of care at scale* • *Initiate action plans for reducing unnecessary emergency admissions in-year which will lead to further reductions in the medium to long term* TH explained that the proposal was informed by discussions relating to QIPP opportunities for reducing non elective admissions for the over 60's; following analysis undertaken by Kingsgate and the CCG Business Intelligence (BI) Team. TH noted that the Primary Care Commissioning Committee (PCCC) discussed the	

Item	Agenda Item /Discussion	Action Owner
	Primary Care Investment Business Case on the 10th and 16th October, provided helpful feedback which was incorporated into the business case, and recommended approval virtually. TH explained that a Primary Care Delivery Group (PCDG) was being established to act as a sub-group of the H&F CCG Primary Care Commissioning Committee to oversee the investment. He added that the principle objective of this group was to provide a hand on approach and oversight and effective financial governance to the delivery of workstreams aligned to the 2017/18 Primary Care Investment. Furthermore, the group would review all GP practice and Primary Care Network project proposals submitted using the PID template to help understand how the work was aligned to the strategy to deliver value for money. Additionally, it would provide advice on the activities and resources best delivered at scale and to ensure equitable provision across the borough. TW asked for an update on the network configuration and whether it would be geographical. JC clarified that the final network configuration would be circulated to all GP practices and network on Thursday. She added that the CCG were looking to have 5 localities in 3 networks, but this would not be a static position, with further scope around what the configuration would look like and to ensure it works to accommodate patients within the system. JCa said that the primary care homes would need to deliver better patient care and work more effectively with their partners, with the investment to support the economic case and strategic development to allow primary care to deliver the system benefits and return on investment. JC said this fits in with the work that Keith Edmunds, Chief Financial Officer was doing, with a requirement that it meets the parameters and shows a return on investment over a longer period of time, and the prerequisite for the investment to be made to allow for the required system changes to be embedded from 18/19, and to have equity around how investment was made across the system. TH said given the primary care changes currently underway, it should deliver some of the return on investments and benefits this financial year. SM stated that if the Primary Care Investment was approved for 17/18, it would be subject to the Joint Finance Steering Group discussion. JC said in order to make a good case for the investment; it would need to be assured and able to robustly defend the CCGs position and referenced section 6 of the business case around planning and benefits and the need to be able to demonstrate deliverability around this. SM discussed the recurrent money, which was likely to increase next year, with the CCG likely to receive a higher allocation. SM said this business case looks at the headroom for 17/18 and recurrent money to be used non-recurrently for the enabling work. TH stated that in year some of the money would be used to address future workforce. SM mentioned the criteria and pay back in future years and affordability in the current year, but highlighted the issue around how to address the £1.2m gap elsewhere in the system, which was built into the CCGs current forecast. SM said that the CCG would need to be able to mitigate the £1.2m within the core allocation. JC stated that because of the timeframe to get the investment into primary care it considered the headroom monies to be part of the enhanced primary care monies. TW mentioned the importance of the back ended shared functions, and the	

Item	Agenda Item /Discussion	Action Owner
	opportunity to improve the care pathways, business effectiveness and competence of work. He highlighted the importance of having consistent pathways for long-term conditions, frailty and home visits. TW asked what headroom there was for new out of hospital services such as hypertension. JC responded that the monies would be used specifically for the three areas identified in the 17/18 plan. JC added that with regards to the 18/19 contract arrangements and the parameters and outcomes that there was scope to consider hypertension. SM said that Primary Care Investment monies not spent in 17/18 would be used to support the bottom line; therefore the CCG would need to show that the net risk and gap of £1.2m could be reduced to zero. JC said it was fully committed to deliver this investment and the resource to make the right changes happen. TH emphasised that not making this investment could result in a bigger financial deficit position in 18/19 and said that the money would be paid back in future years. SM reiterated the importance of the Primary Care Development Group to oversee the investment, and the process to be followed to receive the investment, in order to receive maximum benefits. JC thanked the Primary Care Team for all their hard work and commitment to the CCG, to ensure the primary care investment was in the right place. The committee: • **Recommended** for approval the Primary Care Investment Business Case for 2017/18 for Chair's action to be taken in advance of the governing body, which equates to £1.3 million, subject to further discussion at the 16th November collaborative Joint Finance Working Group • **Noted** the following: - Response to feedback received from Primary Care Commissioning Committee members on the business case - *(Annex 2)* - The draft terms of reference for the Primary Care Delivery Group (PCDG), a subcommittee of the Primary Care Commissioning Committee (PCCC), which will oversee the programme and which will be taken to the next PCCC in November for approval *(Annex 3)* - The draft Project Proposal template that Practices and Primary Care Networks will required to complete for submission to the PCDG and which will be sent to PCCC members for virtual approval in advance of 1st November – *(Annex 4)*	
7.	**Imperial Contract Performance and trend analysis month 5 – 2017/18**	
7.2	<u>Imperial Contract Performance and trend analysis - month 5 2017/18</u> NoC presented the month 5 Imperial report. She informed the committee that year to date (YTD) there was an unmitigated/mitigated variance of (£2.48m)/(£1.69m). NoC highlighted a favourable movement of £852k in August, with £200k of this relating to outpatients and £180k relating to critical care. She added that a significant part of the in-month movement was a reflection of the NEL coding challenge and was included in the actual position instead of risks and opportunities. NoC noted that QIPP of £2.45m had been deducted from the YTD position. She added	

Item	Agenda Item /Discussion	Action Owner
	that QIPP delivery was behind target and unidentified QIPP was a significant factor in the forecast overspends. NoC indicated that the removal of QIPP from the plan would show a favourable variance of £762k against areas such as Critical Care, Drugs and Maternity. However, these favourable variances could not be relied upon going forward. NoC highlighted that critical care was significantly below plan by £624k (31%); driven by volume therefore showed an in month favourable movement of £268k. NoC indicated that plans were in place to move towards charging on a monthly basis rather than on discharge, with a three month pilot initially and go live later in the year. NoC stated that RTT performance was in line with the YTD trajectory with a number of additional patients added to the waiting list, as a result of a data validation exercise, in particular around 52 week waits, which had tilted the in-month position. She noted a high level of risk around the RTT capped expenditure plan and forecast adjustment, due to on-going data issues at the Trust. NoC reported a forecast overspend of £5m, which was considered prudent with an additional £800k added to the position. She added that it includes benefits from RTT and back-ended QIPP and the potential benefits from critical care. She noted that the month 6 position based on unvalidated figures shows an improved position of £317k for September. The committee **noted** the Imperial month 5 performance and trend analysis report for 2017/18 and brief overview of the month 5 position	
8.	**Any Other Business**	
8.1	No other business was discussed.	
Date of next meeting: Tuesday 28th November, 3.00 - 5.30 pm, St Paul's Church, Hammersmith		