

Finance and Performance Committee Report - March 2015

The Finance and Performance (F&P) Committee met on Tuesday 27th January and on Tuesday 24th February 2015. This report summarises the key discussions that took place.

Escalations

2-week wait (breast symptomatic) standard

The CCG are not meeting the 2-week wait (breast symptomatic) standard (91.7%) in month 9 and is not meeting this target YTD. There were eight breaches due to patient choice at Imperial; however, the Trust is meeting the target in month 9 and in Q3. Providers are to be reminded of the impact of their Trust performance on CCG's.

Community Dermatology Service

The committee raised a concern that the capacity issues with the Community Dermatology service have led to long waits for patients and that actions by practices are not delivering the desired effect, resulting in activity reduction expected from the referral review scheme. The committee were informed that this issue is the focus of the Q3 review of the practice network plans.

The committee requested a forward plan for the Community Dermatology Service as GPs and the LMC want to know what is happening, require reassurance, and have requested some detail around the flow of patients and where waits are significantly reducing. Julie Scrivens and Matthew Mead are producing a paper to include the CCG plans and those of CLCH for presentation at the March F&P committee. Julie advised that locum staff is in post to support the service and that waits have reduced from 14 to 8 weeks.

Investment Proposals

The following investment proposals were discussed at the January F&P Committee:

- **Expert Patient Programme Delegated Decision for appointment of Preferred Bidder:** It was noted that the committee had signed off the costs of £111k in August 2014. The delegated decision was for the appointment of the preferred bidder, and the reason for the request was to conform to the procurement timescale, in order to achieve a service start date of 1st April 2015. The committee agreed to delegate the decision on a preferred bidder to NHS Central London CCG, the host CCG, for Chair's action to be taken. A decision has since been made by Central London CCG not to award the contract. The procurement exercise will be re-run. Interim arrangements are being put in place to ensure service continuity for patients until the next procurement exercise is concluded.
- **The Tri-Borough Community Ophthalmology Service Business Case:** In July 2014, the F&P Committee approved in principle a business case for a community ophthalmology service, subject to satisfactory answers to a number of questions posed during the meeting. An updated business case has been developed and a number of questions, to be considered and addressed prior to the procurement were raised. The questions were also reported to the 3rd February Governing Body.

The committee **recommended** for approval by the 3rd February Governing Body:

- The updated business case for a community ophthalmology service; and
- To proceed with a procurement for services, together with Tri-Borough CCGs, through a single procurement with two 'Lots'.

- **Multi-Systemic Therapy Team - Business Case**

The committee **approved** the two-year funding, total cost per annum for 2015-16 and 2016-17 of £59,000, to continue H&F CCG's joint funding support for the local Multi-Systemic Therapy Team.

- **Mental Health Employment Support for common Mental Illness: extension to service and tender approval**

The committee:

- **Approved** the tendering of the employment support service for people with common mental illness within the current resource
- **Agreed** funding for the current provider for 6 months and an extension of the current NHS contract from (1st April 2015-30th September 2015) pending the conclusion of the procurement process, with a one month notice period (£54,600).
- **Agreed** to retain the current annual investment of £109,200
- **Agreed** to adjust funding following the contract award in the S75 for 2015/16 and to vary the S75 in 2016/17

- **Out of Hospital Services Assurance Process**

The committee:

- **Noted** the process of Assurance followed to date.
- **Noted** the outstanding actions to be undertaken by the Federation in advance of February's Governing Body and requested confirmation in writing by Friday 30th January that all outstanding subscriptions have been received.
- **Agreed to recommend** to the Governing Body it approve the assurance process and contract award subject to completion of all outstanding actions.

- **PM Challenge Fund Programme Executive updates**

(January 2015)

A verbal update was provided to the committee. The PMCF Executive Committee of 2nd December was asked to approve funding for the following three projects:-

- *On-line access* – the PMCF Executive Committee were not in a position to approve the additional £8k. Further information was required and would be e-mailed out to the group for a decision to be made virtually.
- *The Care Information Exchange Project* – the funding was approved.
- *Patient Engagement* – the PMCF Executive Committee has already agreed £15k. The Federation asked for an additional £40k for project scope work to support patient engagement. The additional funding was approved.

It was noted that the Local Improvement Scheme (LIS) was approved by NHSE, which will allow the PMCF Programme Executive to proceed and arrange for funding to be released.

The committee **approved** the decision taken at the PMCF Programme Executive and **noted** progress.

(February 2015)

A verbal update was provided. The committee were informed that many of the projects in the proposal are not on track with little progress made. The Federation would need to define what the deliverables would be around patient engagement and whether the Care Information Exchange is something to pursue or EPS2. The committee agreed that there are risks associated with the large proportion of resources not being spent and

the impact of this on patient services. Sufficient assurance has not been provided to release the resources and no detailed plans have been submitted on how to spend the money. Concern was also raised around the implementation costs, which have significantly increased with little or no notice. The committee was informed that Philippa Jones had escalated the accountability around the CWHHE Team to the Chief Officer. It was noted that the SLA is up for review and Farid would be developing the business case for the next 2 years, but the costs would need to be robust to deliver what we require and would need to come to the F&P committee for consideration.

Finance including QIPP

- **Cost Pressure on Commissioning Support Service Budget for 2014/15**

The cost pressure paper on the Commissioning Support Service Budget for 2014/15 was presented in January 15. It was noted that the eight CCGs have pooled the budget that was to pay for the CSU in the second half of this financial year and that the total fund for this period is £15.2m. In addition to the recurrent cost of delivering the commissioning support service, this budget also needs to cover some one-off transitional costs. Some of these were recognised at the time of budget setting and the total budget issued for the remainder of 2014/15 was £16.2m, which shows a £1.5m overspend across NWL when compared to the original funding. This has arisen because of planned additional spend on transition activities and due to the number of posts covered by interim staff inherited from the CSU.

It was explained that overspends had resulted due to organisational changes and vacant roles being covered by interim staff, but work is underway with Human Resources (HR) to get posts filled substantively. The committee were not assured and suggested that a tracking process is implemented to identify all interim staff by CCG. The committee were informed that communication was received from HR advising that a new process of tracking was being developed and that all organisations would need to provide a status update of all interim staff in place. Furthermore, a Policy is being developed relating to interim staff and recruitment and a discussion took place at the recent collaborative board across the 8 CCGs to discuss HR, comms, headline vacancies, interim staff and the plans in place to reduce the number of interims. It was noted that the number of interim staff in place in H&F would not put the CCG beyond the management budget. It was clarified that McKinsey were being paid for the work carried out on A&E at Imperial from the programme budget and not from CCG running costs.

The committee **noted** the financial position and the proposal to fund the cost pressure using non-recurrent reserves.

- **Finance and Activity month 10 Report – see separate GB agenda item**

- **CWHHE Risks and Opportunities – Planning for Year End**

The committee **approved**:

Recommendation 1 - that the risk share agreement be expanded to incorporate the types of risks that are emerging this year and are best handled across all five CCGs.

Recommendation 2 - to hold £1.42m to cover off any other emerging pressures and to review this at month ten

Recommendation 3 - this leaves a balance of a net £5m opportunity. It is proposed that the CCG looks at the potential for using this funding in this financial year in order to strengthen the financial position next year. This includes seeking to increase the surplus control total by £1m per CCG.

Recommendation 4 - the risks that have been identified as suitable for risk sharing should be split between CCGs in relation to the overall net opportunity that the individual CCG is carrying. This means that those with the largest net opportunity pick up the largest share of the risks.

- **Draft Operating Plan 2015/16**

The committee **noted** the 2015/16 draft Operating Plan and the February update

- **QIPP:** The month 10 QIPP report and QIPP Reports for 15/16 were presented. Year to date to M10 the CCG are reporting an achievement of 82% delivering savings of £4.9m against the plan of £6.0m, with a shortfall of £1.1m. Whilst the CCG is reporting to deliver 80% of its plan against a pre-risk plan of £7.3m, the total savings forecasted of £5.9m represents 96% delivery against the post risk plan of £6.1m. It was noted that for next year there would be no contingency for risk built into the QIPP plan.

The largest shortfall to date of £779k is on the Community Independence Service (CIS) plus Virtual Ward scheme, which is currently shown as amber, and is the largest of our admission avoidance schemes this year. It was noted that the mid-year review would provide an insight into the areas being developed for next year and the review will ensure that the service is robust and fit for purpose for rollout to the new lead provider. The planned care schemes aimed at reducing outpatient activity are reporting a shortfall of £344k year to date and the largest variance is on the Gynaecology scheme of £123k. GD reported that capacity issues with the Community Dermatology service have led to long waits but actions by practices are not delivering the desired effect, resulting in activity reduction expected from the referral review scheme. She explained that this is the focus of the Q3 review of the practice network plans. It was noted that prescribing is reported to plan based on ledger variance and reported underspend on LD budgets is offsetting the adverse variance on transformational schemes.

GD reported that the risk for next year is around whether there are block contracts and noted that Ophthalmology and Gynae would be the two major planned care schemes.

The list of 26 QIPP schemes planned for 15/16 were presented and included a brief description of each scheme, key risks, investments and gross and net savings associated with each scheme. The committee noted that a stocktake was carried out of all the planned care schemes and that the CCG would be more selective about the size of the projects taken into 15/16. A rolling deep dive was provided for the CIS NEL scheme. It was noted that this would be carried out into particular QIPP programme areas going forward and that the focus for next month's meeting would be on planned care.

The committee **noted** the month 10 QIPP Report and the QIPP Plans for 15/16.

- **Operating Plan 15/16 - Trajectories & Quality Premium Summary**

The committee **approved** the 2015-16 Operating Plan Trajectories and Quality Premium

- **Network Plan Year 5 proposal**

The committee:

- **Approved** the content of the proposed plan including the specific tasks which will be required by Practices to undertake for Network Plan Year 5 (and subject to approval by the CWHHE Investment Committee on the proposed level of investment)
- **Agreed** for the proposed plan to be submitted to NHS England to obtain assurance that there is no cross-over/double payment with any core contract elements (e.g. QOF/DES)
- **Recommended** the proposed plan to the Governing Body for approval
- **Agreed** that responsibility for monitoring the Network Plan Year 5, as per previous Network Plan Years, should be delegated to the HFCCG Finance and Performance Committee