Vale of York
Clinical Commissioning Group

Item 3

Minutes of the Finance and Performance Committee Meeting held on 23 August 2018 at West Offices, York

Present

David Booker (DB) (Chair)	Lay Member and Finance and Performance Committee Chair
Michael Ash-McMahon (MA-M)	Deputy Chief Finance Officer
Denise Nightingale (DN)	Executive Director of Transformation, Complex Care and Mental Health
Keith Ramsay (KR) - part	Lay Member and Chair of Primary Care Commissioning Committee, Quality and Patient Experience Committee and Remuneration Committee
Dr Kevin Smith (KS)	Executive Director of Primary Care and Population Health

In attendance

Caroline Alexander (CA) – part	Assistant Director of Delivery and Performance
Anna Bourne (AB) – item 10	Senior Procurement Lead
Becky Case (BC) – item 7	Head of Transformation and Delivery
Louise Horsfield (LH) – item 10	Commissioning and Transformation Manager
Michele Saidman (MS)	Executive Assistant
Dr Victoria Turner (VT)	Trainee Public Health Doctor

Apologies

Simon Bell (SB)	Chief Finance Officer
Michelle Carrington (MC)	Executive Director of Quality and Nursing/Chief Nurse
Phil Goatley (PG)	Lay Member and Audit Committee Chair
Phil Mettam (PM)	Accountable Officer
Jon Swift (JS)	Director of Finance, NHS England North (Yorkshire and the Humber)
Dr Nigel Wells (NW)	CCG Clinical Chair

1. Apologies

As noted above.

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

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

3. Minutes of the meeting held on 26 July 2018

The minutes of the previous meeting were agreed.

The Committee:

Approved the minutes of the meeting held on 26 July 2018.

4. Matters Arising

F&P 54 Financial Performance Report - Update on discussions regarding system management of capacity pressures in General Practice: KS reported on discussion both with PM and NW and also with the Local Medical Committee, the Deanery and local GPs. He explained that, as it was evident there was a need to understand and address GP retention issues, NW had proposed an event be arranged for GPs who had qualified in the last 10 years and those in the final year of the Vocational Training Scheme. KS added that remuneration for salaried GPs in the Vale of York was considerably less than in other areas and the CCG was unlikely to ever attract financial support in this regard.

KS also noted that the CCG was looking to support establishment of Physician Assistants; additionally there were opportunities for joint posts across the patch. KS advised that he and NW were meeting with Priory Medical Group and Amanda Fisher, Workforce Transformation Lead, Humber, Coast and Vale Local Workforce Action Board/Sustainability and Transformation Partnership to progress establishment of Physician Assistants.

Members discussed the need for cultural change in terms of patients seeing healthcare professionals other than GPs. KS highlighted that there was evidence of the need for triage to be done by senior GPs, which may prove challenging for smaller Practices, and DB referred to the potential to expand the HealthNavigator programme.

Other matters were noted as completed or scheduled for the next meeting.

The Committee:

Noted the update.

“Good News”

KS reported on the award of contracts for improving access to primary care services from 1 October 2018. In central York and Pocklington this had been awarded to Nimbuscare Limited; services would be delivered from four hub sites. KS noted that CAVA (City and Vale GP Alliance) had written to Nimbuscare Limited with a view to joint working in this regard.

KS advised that CAVA with the Modality Partnership had been awarded the contract for improving access to primary care services in the North Locality.

Members welcomed the positive response from GPs and the public and noted that the improved access included weekends and Bank Holidays with options of consultations in person, by phone and “virtually”.

5. Risk Update Report

MA-M referred to agreement at the previous meeting that only risks RAG (Red, Amber, Green) rated as 12 or above be reported unless there had been an increase. He noted that one risk had increased from a score of 6 to 8, *JC.22 Project team established to work on making Personal Health Budgets the default for continuing healthcare home care packages before April 2019*; three risks had increased and three had decreased all of which were below the threshold of 12.

MA-M highlighted that there had been one new event: *PC.01 A problem with the Docman 7 system has resulted in results and correspondence from secondary care going to an unknown folder in a number of Practices and therefore not being accessed*. KS explained that Docman is an IT management system that works with both EMIS and SystmOne. This national issue, which was affecting the CCG's EMIS Practices, was affecting 22 Practices across Yorkshire and Humber. KS assured members that the issues were being escalated as appropriate and noted that NHS England was currently undertaking a national procurement for a GP IT Framework.

DN joined the meeting

With regard to Personal Health Budgets DN reported that the CCG had two programmes. The programme relating to general Personal Health Budgets, supported by NHS Warrington CCG, was progressing well but the programme to roll out Personal Health Budgets for wheelchairs would require sign off by the North Yorkshire CCGs as it was a joint contract for the service. DN noted that the CCG's Personal Health Budgets were increasing but the increased risk of delivery for numbers was most likely due to the wheelchair programme.

DN explained that monitoring by NHS England was of the number of Personal Health Budgets and highlighted that the CCG had in fact submitted a trajectory to fail in this area prior to Personal Health Budgets becoming the default for fully funded community packages.

Members welcomed the format of the Risk Update Report but requested inclusion of a brief explanation to accompany risk numbers on each occasion for further clarity. Additionally, in view of concerns about a number of areas of risk, they requested that events continue to be reported monthly rather than moving to quarterly reporting.

The Committee:

1. Reviewed all risks and risk mitigation plans for the cohort of risk under the management of the Committee.
2. Agreed risks that required Governing Body scrutiny.
3. Requested that events continue to be reported monthly.
4. Noted there were no specified risks for de-escalation/archive.
5. Requested a brief description of risk be added to the risk reference where necessary.

6. Financial Performance Report Month 4

MA-M confirmed that, as reported in Month 3, the CCG had achieved the quarter 1 Commissioner Sustainability Fund and the 10% had been received in month 4's allocation. The planned forecast deficit had been adjusted accordingly from £14.0m to £12.6m. MA-M noted that monitoring of the Commissioner Sustainability Fund had been added to reporting of the overall financial position; achievement of the quarter 2 £3.5m was currently assessed as 'Red'.

With regard to the Aligned Incentive Contract MA-M explained that performance against the CCG's share of the £340.0m contract with York Teaching Hospital NHS Foundation Trust was reported as if the risk share had been invoked as there had been no material impact from the joint cost reduction programme. On this basis there was a £2.3m year to date overspend on the contract with York Teaching Hospital NHS Foundation Trust.

MA-M described the terms of the Aligned Incentive Contract in respect of the premise of the CCG's share of the £340.0m which included assumed £5.0m repatriation and optimisation of core NHS capacity over the year. The associated £1.5m reduction in spend at York Teaching Hospital NHS Foundation Trust had not been achieved in the first quarter due to the need to quality impact assess, including appropriate clinical review, the schemes across the Aligned Incentive Contract and the fact that the repatriation and optimisation of core capacity had not been of sufficient scale to have the expected impact. The £2.3m overspend could not therefore be offset as presumed. MA-M noted that NHS Scarborough and Ryedale CCG had had a fortuitous benefit in other areas of spend to offset their equivalent share of the Aligned Incentive Contract.

The letter of 22 August from Ian Dalton, Chief Executive of NHS Improvement, relating to elective care expectations was tabled. MA-M explained that under the Aligned Incentive Contract York Teaching Hospital NHS Foundation Trust should agree such additional work prospectively with contract partners however the latest monthly report was that there had been an increase of 1,000 cases in the numbers of people on the waiting list. MA-M explained that the York Teaching Hospital NHS Foundation Trust cost base was premised on the expectation of £351.0m income from the contract; the associated cost reduction required to reach the agreed £340.0m had not yet been achieved. Therefore, in order to maintain the Month 4 year to date position £2.0m of the annual contingency had been profiled into the year to date plan. MA-M noted that this pre-commitment of the contingency was part of the Aligned Incentive Contract premise, but this was originally intended to be done so over the full year.

MA-M advised that the system had not yet had time to respond to the challenging year to date position of the Aligned Incentive Contract but emphasised that the CCG's forecast outturn position continued to be premised on the £340.0m contract value. He highlighted the need for York Teaching Hospital NHS Foundation Trust to greatly reduce costs and referred to potential associated impact on performance that needed to be fully understood in achieving this. MA-M reported that the regulators had earlier in the week confirmed that the cancer and 52 week performance targets must be delivered but there may be flexibility in the 18 week referral to treatment performance target provided there was assurance of all opportunities being taken to reduce waiting

lists. Work was taking place at specialty level to understand impact on performance of cost reduction proposals.

Discussion ensued in the context of the need for York Teaching Hospital NHS Foundation Trust to focus on reducing spend rather than reducing activity through not doing all specialties on all sites and reducing agency staff and locum costs. As a system there was a requirement and a responsibility to reach a financial position for the benefit of patients.

MA-M explained that the System Transformation Board managed the Aligned Incentive Contract and confirmed that workstreams had been established beneath this. He assured members from a financial perspective that the discussions were appropriate in the context of the system approach noting that the Aligned Incentive Contract did not have a cap as such because of the risk share; additionally the contract could be varied for planned and unplanned activity by mutual agreement.

MA-M noted that York Teaching Hospital NHS Foundation Trust was assuming a further c£1.0m, based on 20% of tariff, in respect of the increase in unplanned activity. He advised that the System Transformation Board working groups had been requested to provide detail to inform understanding of the current position noting that, although the associated governance systems were being tested, the collective response by the finance teams was a positive development. MA-M emphasised that achievement of the quarter 2 Commissioner Sustainability Fund would be very challenging if the current trend continued.

In the context of the reported position DB posed the questions:

- Where should we be?
- Where are we?
- Why aren't we where we should be?
- What are we doing about it?

DB additionally sought assurance about the adequacy of the governance structures of the Aligned Incentive Contract.

MA-M responded that the governance structure of the System Transformation Board had only recently been established. He confirmed that there was appropriate membership and that the approach was for collective agreement which enabled focus on trying to address the issues across the system through joint understanding rather than disputing activity as previously. MA-M emphasised that measures must be in the form of service changes not contractual mechanisms.

MA-M reported that the System Transformation Board had recently held an extraordinary single item session focusing on 2018/19 cost efficiency priorities with the aim of identifying a £5.0m cost reduction. A total of £2.5m had been identified as the maximum that was potentially achievable; this was being quality impact assessed with a 10 September timetable to report back to regulators. Proposed actions would be agreed at the System Transformation Board on 17 September 2018.

KR expressed concern that the advantages gained from the Aligned Incentive Contract may be lost in view of the current financial challenge and emphasised the need for both the Committee and the Governing Body to receive regular updates. MA-M responded that the most acute consequence would be not accessing the Commissioner Sustainability Fund including the impact on the CCG therefore of not exiting legal Directions. He noted however that the Commissioner Sustainability Fund could be earned back in future quarters although this would be a challenge if the current trends continued. KS added that the Aligned Incentive Contract had not been signed at the start of the financial year when the plan was constructed therefore short term benefits were required to make up the difference. He emphasised the importance of this short term support to reach the medium and long term system plan but noted that cultural change took time.

KR highlighted the full support of the Governing Body for the system approach noting the moral obligation of both provider and commissioners to deliver the Aligned Incentive Contract. DB emphasised recognition of the work but expressed continuing concern about the associated challenges.

With regard to other areas of the Financial Performance Report MA-M referred to the emerging risk relating to continuing healthcare. He noted that SB had requested clarity between the risk posed by the data cleanse work, currently estimated at £1.0m with the expectation of a definitive position in the coming month, and the legacy issue, for which the impact was expected to be significant across North Yorkshire but was not expected to be finalised in 2018/19. The Committee welcomed the separation of the two aspects of the continuing healthcare risk.

MA-M explained that the £12.6m forecast deficit for 2018/19 continued to be in line with the CCG's financial plan noting that the York Teaching Hospital NHS Foundation Trust position of £6.0m overspend reflected the £340.0m contract value excluding the risk share. He also noted that this was offset by £3.1m, not the previously expected £5.0m, within reserves from repatriation and optimisation of core NHS capacity. This was premised on acute activity not taking place and would be subject to full assessment at the September System Transformation Board.

DN noted with regard to mental health out of contract placements that a successful Responsible Commissioner challenge had a potential c£10k per week backdated benefit to the CCG following technical arbitration.

MA-M referred to the notification relating to the Agenda for Change pay award that the CCG would receive allocation of £59k for running costs, compared to the assessed £101k cost, a £42k pressure. He noted that all North Yorkshire CCGs had a running costs pressure from this as the assessment had been on the basis of the average salary of Agenda for Change staff at a point in time. In response to KR enquiring whether there would be any further impact relating to Clinical Leads, MA-M advised that this would be a decision for the Remuneration Committee.

MA-M reported that the CCG was meeting balance sheet targets and clarified that the vacancy control QIPP was within the Chief Executive's budgets as it was not known where vacancies would occur. Any vacancies that arose would be moved to the appropriate running costs line.

The Committee:

1. Received the Month 4 Financial Performance Report.
2. Recorded growing concern with regard to overall governance issues and the financial outturn of the Aligned Incentive Contract. If the current trends continued the CCG would not hold its quarter 2 position with serious consequences. The Committee requested a full update from the Chief Finance Officer at the next meeting.

CA and BC joined the meeting

7. Resilience and Winter Planning

BC presented the update which emanated from detailed discussion at the single item A and E Delivery Board on 16 August on resourcing the resilience and winter plan. Attendance at that meeting had included financial representation from CCGs and York Teaching Hospital NHS Foundation Trust in light of the Aligned Incentive Contract and ongoing financial restraints.

The meeting had identified schemes with a nominal financial resource against them and sought to identify any other plans requiring resource that had not previously been flagged, establish what the additional funding requirement would provide, and considered how effective it may be and whether there were any alternate/complementary schemes that might have an equivalent impact. Schemes described by the parts or all of the system as important to manage four hour performance, bed occupancy or Delayed Transfers of Care were agreed as priority. Where the need for funding was identified clarification was required as to where this would be sourced by the system. The CCG's Executive Committee would consider the report on 5 September prior to the System Transformation Board on 17 September where consideration would be given regarding the implementation of the schemes requiring further resource; subsequent recommendations would be made to statutory bodies.

Members sought and received further clarification on the schemes, particularly where funding required identification, also noting the context of the terms of the Aligned Incentive Contract – payment of one third by NHS Scarborough and Ryedale CCG and two thirds by NHS Vale of York CCG with no site split of associated activity – as Scarborough patients would benefit at the expense of those in the Vale of York. DN additionally noted potential adverse effects on quality and safety due to recruitment issues. It was agreed that the system approach required criteria to mitigate where opportunities were of considerably greater advantage to one or other of the CCGs.

Members emphasised the need for assurance about the resilience plan in terms of quality and safety in addition to it being deliverable. They requested clarification be sought from York Teaching Hospital NHS Foundation Trust regarding additional staffing required in the Emergency Departments and across wards, including information on grades of consultants and juniors required to support each site over each period of the day and what proportion of these would be locum or agency. Members also sought to understand the impact from financial resources, both for

2017/18 and April and May 2018, from additional staffing and where there were still gaps in provision that impacted on performance.

With regard to the Sustainability and Transformation Partnership BC reported on potential additional funding (via the Urgent and Emergency Care Network) for urgent and emergency care to support regional plans for out of hospital services.

In response to members seeking clarification about the Better Care Fund, proposed as a potential alternative funding source for aspects of the resilience plan, DN noted concerns about associated governance processes.

In summary DB highlighted: further clarification was required regarding the commissioner split of the Aligned Incentive Contract; resources should be considered and analysed on a system wide basis; and the Committee would welcome assurance that any decisions taken forward through the Better Care Fund had been subject to the appropriate processes.

The Committee

1. Received the report on resilience and winter planning.
2. Requested that consideration be given to the commissioner split of the Aligned Incentive Contract.
3. Requested that clarification be sought from York Teaching Hospital NHS Foundation Trust to provide assurance on quality, safety and deliverability of the resilience plan.

BC left the meeting

8. Integrated Performance Report Month 3

CA presented the Month 3 Integrated Performance Report which comprised performance headlines, performance summary against all constitutional targets, and programme overviews relating to planned care, unplanned care, mental health, learning disability and complex care, primary care performance, and Quality Premium; core supporting performance information included in a number of annexes.

CA advised that York Teaching Hospital NHS Foundation Trust's A and E four hour performance in July had been 88% and unvalidated information for August to date was 92% against the 95% target therefore a significant improvement. There was no update on their appeal against the reduced quarter 1 Provider Sustainability Fund reported at the previous meeting.

CA noted a small improvement in diagnostics six week wait performance but this continued to be a key concern across the system. Radiology was particularly challenged as available capacity was further reduced due to a number of places within the Sustainability and Transformation Partnership prioritising subcontracted activity for the local population.

CA reported that urgent referrals were increasing across the patch. She was working through validation and conversion rates for cancer referrals. This was creating further pressure on the local MRI and CT capacity.

CA explained that NHS Elect had begun work on the radiology recovery programme with York Teaching Hospital NHS Foundation Trust and this would sit alongside the wider Humber, Coast and Vale Sustainability and Transformation Partnership Cancer Alliance diagnostics programme. Radiology subcontracted expenditure by York Teaching Hospital NHS Foundation Trust was currently being capped as part of their cost baseline under the Aligned Incentive Contract, and could not currently meet demand created by prioritising urgent referrals without productivity improvements through the radiology recovery plan. CA noted that the System Transformation Board would be prioritising radiology recovery as a key part of cancer 62 day performance recovery.

CA reported significant pressures from prostate cancer urgent referrals on the urology service with increased breaches reported in July. She advised that NHS Improvement was leading specific work relating to prostate cancer and there was also Cancer Alliance work on the rapid pathway for prostate. She also noted that the joint CCGs Cancer Performance Group was meeting monthly to closely monitor all cancer recovery plans and support associated CCG-led actions. This group was also now refreshing membership and representation on each local, Sustainability and Transformation Partnership and Cancer Alliance meeting and workstream, with an aim to ensure both CCGs were effectively representing commissioner work and intentions for the York-Scarborough place.

With regard to 18 week referral to treatment CA referred to the letter of 22 August from Ian Dalton seeking assurance around elective care expectations, and noted that York Teaching Hospital NHS Foundation Trust would be submitting a response by 4 September. She highlighted the associated challenge and impact on the system and the CCG's financial recovery in 2018/19 from prioritising performance recovery as required by both regulators. There was a request from NHS Improvement to confirm if commissioned providers could recover their 31 March 2018 elective care waiting list position by March 2019, and if not to quantify the additional capacity required. CA advised that validation work was continuing on the waiting lists to ensure all patients had been reviewed and would seek to clarify with York Teaching Hospital NHS Foundation Trust the extent of this validation, whether administratively or clinically.

In response to clarification sought by KR regarding 62 day cancer performance CA advised that the York and Scarborough footprint was best in terms of performance across the Humber, Coast and Vale Sustainability and Transformation Partnership (STP) but the performance in the STP was one of the worst in the Cancer Alliance nationally. She also emphasised that the regulators expected performance targets to be delivery in full.

KR left the meeting

CA referred to the NHS England Excess Bed Days initiative noting the need for articulating the local system response to this within the context of the Aligned Incentive Contract. Detailed discussion ensued about Delayed Transfers of Care and DN

emphasised that, as there was very limited care home capacity in the area, the CCG's approach to contracting for non acute beds required consideration. It was agreed that this be discussed outside the meeting and that a commissioner position be agreed prior to the meeting on 14 September of the Unplanned Care Oversight Group, chaired by KS. DN additionally expressed concern at the numbers of people being fast tracked which impacted on the market demand. An audit had been undertaken.

CA referred again to the letter from Ian Dalton regarding the expectation that the number of 52 week breaches in 2018/19 be half that of 2017/18. This was of concern as York Teaching Hospital NHS Foundation Trust had had 21 in 2017/18 and as at the end of June 2018 there had been 18 breaches. CA noted that there were a variety of reasons for this, including administrative errors in maxillofacial which were commissioned by NHS England Specialised Commissioning Services not the CCG and therefore did not impact on the CCG performance for 52 weeks. CA also noted that NHS England and NHS Improvement were seeking assurance about the week 38 position and approach to managing long waiters. Further information would be provided in the September Committee report.

In response to DN seeking clarification about the quality premium, CA explained that a reconciliation took place for the whole of the financial year therefore achievement would not be known until around June 2019.

The Committee:

Received the Integrated Performance Report as at Month 3.

9. 2018/19 Performance Priorities

CA referred to the information circulated in advance of the meeting in respect of the Improvement and Assessment Framework 2017/18 Overall CCG Ratings and anticipated 2018/19 Framework. This provided a detailed analysis of the full 2017/18 CCG assessment and performance for each indicator against peer CCGs and national ratings and thresholds where known; to support the CCG in identifying the priorities for 2018/19 which should support further improvement against the new 2018/19 Improvement and Assessment Framework and to allocate appropriate Executive leads and programme managers to drive this improvement; and to provide assurance to the Finance and Performance Committee and in turn the Governing Body that the CCG performance monitoring, recovery plans and reporting were being effectively managed and delivered. CA noted that until the current financial position improved there was little possibility of the CCG progressing from 'Requires Improvement' to 'Good'.

CA explained that the Executive Team and Programme Leads were working on the basis of the 2017/18 assessment comprising 51 indicators of which 25% related to Finance and 25% to Leadership; the remaining 50% comprised 48 'Other' indicators. The aim was to move to an approach of a detailed 'live' repository of performance information accessible by the Committee with reporting being on areas of escalation, exception or significant change. CA commended Sheena White, Principal Analyst, for her work in developing this resource.

CA advised that a further iteration of the information would be presented at the next Committee to explain alignment with performance reporting and provide clarity about the indicators in terms of the committee structure and lead officers.

Following a request from the first meeting of the Aligned Incentive Performance Working Group CA sought and received consent that the Integrated Performance Report to the Committee, also presented to the Governing Body, be shared with this group.

The Committee:

Received the update on the Improvement and Assessment Framework 2017/18 Overall CCG Ratings and anticipated 2018/19 Framework.

AB and LH joined the meeting.

10. Minor Eye Conditions Service Procurement Outcome

In presenting the report Contract Award Recommendation Report for Minor Eye Conditions Service AB explained that there had been two bids which had been received. The evaluation process consists of three stages: compliance review (pass/fail), core assessment (pass/fail) and technical and capability assessment (60% Quality, 40% Price). Bidder B failed the Financial Standing section of the Core Assessment and had therefore not progressed to the Technical and Capability Assessment.

Bidder A had achieved above the minimum score for the Quality sections. A face to face clarification meeting was held to seek assurance on certain aspects of the bid and this confirmed that they could deliver a quality service. The commercial envelope and financial due diligence check had then been carried out achieving the full 40% allocation of marks.

AB reported that detailed communication had taken place with Bidder B as they wished to challenge the decision. However, as this procurement was not subject to EU regulation due to the value, there was no obvious legal pathway for such challenge. MA-M added that he had been a member of the panel that had undertaken the financial evaluation and assured members that a full and rigorous review, including lessons learnt from previous procurements, had taken place in reaching this decision.

Members agreed that the 10 day standstill period (Alcatel) should be adhered to noting that following this, subject to not challenges, the contract would be awarded to Bidder A.

The Committee

Approved the process for the Contract Award Recommendation for Minor Eye Conditions Service recommending that the Governing Body at its meeting on 6 September 2018 award this contract to Bidder A.

AB and LH left the meeting.

11. Primary Care Rebate Schemes Policy – New Rebate

DB highlighted that the information about the product, manufacturer and contact details had been included on the rebate decision form which was contrary to the Primary Care Rebate Scheme Policy. Members discussed the fact that this policy had been introduced prior to the restructure of the CCG and at a time when a number of GPs had been members of the Committee. Additionally, there was no-one at the meeting who had a conflict of interest.

The Committee

1. Agreed the rebate 17, subject to a view from the Legal Team as the decision form had not been redacted in accordance with the current process.
2. Requested that the rebate process be reviewed by the Legal and Governance Team.
3. Agreed that NW be asked to delete his Committee papers. *Post meeting note: This was done on 23 August.*

Post meeting note: Email confirmation circulated to the Committee on 12 September confirming the rebate scheme be implemented.

12. Key Messages to the Governing Body

The Committee recorded growing concern in respect of overall system governance issues and financial outturn regarding the Aligned Incentive Contract. If current trends continued the CCG would not hold the quarter 2 position, with potentially serious consequences. The Committee requested a full update from the Chief Financial Officer at the next meeting.

The Committee:

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

13. Next Meeting and Forward Plan

The next meeting would be 9am to 1pm 27 September 2018.