Vale of York
Clinical Commissioning Group

Minutes of the Finance and Performance Committee Meeting held on 26 July 2018 at West Offices, York

Present	
David Booker (DB) (Chair)	Lay Member and Finance and Performance Committee Chair
Michael Ash-McMahon (MA-M)	Acting Chief Finance Officer
Michelle Carrington (MC)	Executive Director of Quality and Nursing/Chief Nurse
Phil Mettam (PM)	Accountable Officer
Keith Ramsay (KR)	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) – items 10 and 11	Senior Procurement Lead
Holly Clegg (HC)	Park Square Barristers
Abigail Combes (AC) – part	Head of Legal and Governance
Shaun Macey – item 10	Head of Transformation and Delivery
Michele Saidman (MS)	Executive Assistant
Rachael Simmons (RS) - part	Corporate Services Manager
Jon Swift (JS)	Director of Finance, NHS England North (Yorkshire and the Humber)
Apologies	
Phil Goatley (PG)	Lay Member and Audit Committee Chair
Denise Nightingale (DN)	Executive Director of Transformation, Complex Care and Mental Health
Dr Nigel Wells (NW)	CCG Clinical Chair

AC explained that HC was one of four barristers providing legal cover for the CCG during her maternity leave.

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.

Note: NW had not received items 10 and 11 due to conflict of interest.

3. Minutes of the meeting held on 3 July 2018

The minutes of the previous meeting were agreed.

The Committee:

Approved the minutes of the meeting held on 3 July 2018.

4. Matters Arising

F&P56 Integrated Performance Report: PM reported that Simon Cox was attending the Executive Committee on 1 August regarding management of delayed transfers of care.

Other matters were noted as agenda items or ongoing.

"Good News"

MC reported that the mother of a 13 year old boy with Duchene Muscular Dystrophy had requested a wheelchair with a riser for him. This had been refused as it was deemed to not be within the Wheelchair Contract criteria therefore her alternative was to seek support from a charity which MC advised was of concern from a governance perspective. As the wording in the Wheelchair Contract was not precise it had been agreed that a wheelchair be financed through a sub contracting arrangement. The boy now had a wheelchair that was fit for purpose.

KS joined the meeting during item 5.

5. Risk Update Report

AC advised that in her absence and that of the Risk and Assurance Manager RS would be producing the Risk Update Report.

AC highlighted the revised format of the report which provided details of current events and risks managed by the Finance and Performance Committee for consideration regarding effectiveness of risk management approach and application of corporate risk appetite approach; confirmed the cohort of corporate risks for escalation to the Governing Body; and gave an overview of programme risk registers. The report also proposed moving 'events' to a three month reporting cycle.

AC noted that the risks were reducing or remaining static and there was nothing new to report in respect of the Committee's risk register. She sought members' views on adopting an approach of risks being managed within teams and escalated to the Committee if there was an upward trend, noting that only programme risks with a score of 9 and above were now being reported to the Executive Committee for review and decision.

AC proposed that the report to the Committee comprise risks where the total score was 12 or above - with explanation of the impact and likelihood from which this derived - and any risks below 12 that were increasing.

Members agreed that risks 'ES.18 There is a potential risk of inability to agree provider contracts' and 'ES.05 There is a risk that the CCG may fail to retain key staff to ensure continuity and system-wide stability' be archived as they were deemed to now be within the CCG's risk appetite.

DB commended the clarity of the revised format of the report.

The Committee:

1. Reviewed all risks and risk mitigation plans for the cohort of risk under the management of the Committee agreeing the proposal that future reports should comprise risks with a total score of 12 or above and those that were increasing.
2. Agreed risks that required Governing Body scrutiny.
3. Approved moving 'events' to a three month reporting cycle.
4. Approved de-escalation/archive of specified risks

AC and RS left the meeting.

6. Financial Performance Report Month 3

MA-M noted that this was the first report that included triangulation of the York Teaching Hospital NHS Foundation Trust year to date position across the Aligned Incentives Contract partner organisations. The other aspects in the report were based on the usual methodology.

MA-M reported that, as discussed at the last meeting, the allocation had been re-profiled to a £3.5m deficit position for each quarter of 2018/19, which had been achieved in the first quarter. The CCG had therefore met this requirement for the £1.4m, 10%, Commissioner Sustainability Fund. The last criteria in this regard was NHS England approval of the Financial Recovery Plan which JS confirmed had been given and advised that the CCG would receive formal notification in due course.

MA-M advised that year to date acute spend outwith the Aligned Incentives Contract was a £439k underspend at other acute providers which was being investigated. This included delivery against the £1.0m QIPP (Quality, Innovation, Productivity and Prevention) within the Ramsay Hospital contract.

MA-M explained that the Aligned Incentives Contract position was premised on prudent assessment of the 'worst case' scenario but reported against the plan submitted prior to signing of the Aligned Incentives Contract. The actual year to date spend was the Aligned Incentives Contract value with application of the risk share in full. This was offset by other areas that were underspending. NHS Vale of York CCG's share of the Aligned Incentives Contract was £240.0m.

MA-M reported that work was taking place to quantify actual QIPP cost reduction and identify further opportunities to address the shortfall due to the fact that the plan was based on savings at the tariff rate. The primary area in this regard related to optimisation of NHS elective capacity. MA-M emphasised the financial incentivisation not to implement the Aligned Incentives Contract risk share and highlighted improved engagement and joint working on the part of York Teaching Hospital NHS Foundation Trust's operational managers and clinicians.

In response to JS referring to the reporting framework and enquiring how the Committee would be informed in the event of lack of cost reduction and enactment of the risk share, MA-M advised that this was included in the Aligned Incentives Contract line of the report. He noted that the shortfall in the cost reduction for the first quarter of the year had currently been offset, but that this would be an increasing challenge as the QIPP profile increased throughout the year.

MA-M reported that work was continuing to validate the data transferred from the former Partnership Commissioning Unit. He noted that the Month 3 report included an estimated £1.0m risk at this stage but that the full assessment was not yet complete advising that the North Yorkshire CCGs had an agreement in principle to manage the financial impact collectively should any individual CCG be materially adversely impacted by this work. MA-M detailed the historic issues and explained that there was a mismatch between the information from the QA system, used for budgeting and reporting, and the value of invoices either paid or accrued. He had assured the Audit Committee at the meeting the previous day that additional capacity had been brought in by the North Yorkshire CCGs to complete the data cleanse as quickly as possible. Additionally, a permanent solution in the form of an updated online QA system was being introduced from October 2018 when packages would be triangulated and reconciled therefore enabling robust reporting from the system. The four North Yorkshire CCGs had agreed to wait for the new system rather than undertaking staff training twice in quick succession for an interim solution and then the updated version.

MA-M highlighted the update to the System Transformation Board on 16 July regarding the Aligned Incentives Contract when each organisation had reported delivery of plan at quarter 1 meeting the gateway for sustainability funding. York Teaching Hospital NHS Foundation Trust Provider Sustainability Funding had been reduced from a maximum of £1.87m to £1.31m as 30% was linked to the Emergency Care Standard which had not been met. However, they were challenging this in view of a trajectory agreed as part of the plan of performance at 89.5%, in April, 90.1% in May and 90.3% in June; which they achieved each month, but that this requirement had not been achieved cumulatively. MA-M also explained that there had been an issue of contract profiling between the three CCGs at quarter 1 and York Teaching Hospital NHS Foundation Trust. He noted that lessons would be learnt from other systems working under an Aligned Incentives Contract where profiling was either in twelfths or agreed month on month in advance. However, anomalies through the year would be resolved at the year end when all organisations had the same figure.

In response to KR seeking clarification about peak activity in quarters 3 and 4 MA-M advised that the plan aimed to take more cost out later in the year to offset this. With regard to the actual deficit MA-M reported that York Teaching Hospital NHS Foundation Trust was assuming an extra £0.75m for high cost drugs, pass through costs and higher than planned urgent care demand. They were assuming 20% of tariff as under Payment by Results for the non elective admissions and A and E attendances. However, this was not in line with the Aligned Incentives Contract agreement which stated that jointly agreed actual costs for urgent care demand, such as an urgent requirement for agency staff to be employed due to sickness, would be managed but in such an instance actual costs must be evidenced. JS and KR expressed concern at the potential for such assumptions to pose a challenge both to the Aligned Incentives Contract agreement and also to impact on joint working. MA-M

responded that this had been reported to the Sustainability and Transformation Board at the earliest opportunity and would be addressed. He noted that the Sustainability and Transformation Board was meeting on 30 July and monthly triangulation meetings were taking place with the next one being on 10 August. MA-M assured members that their concerns would be passed on.

In summary MA-M highlighted achievement of the £3.5m deficit position, delivery of £1.2m QIPP against the £2.0m year to date forecast, the year to date overspend with York Teaching Hospital NHS Foundation Trust which was offset through the other acute contracts, and the £365k overspend for Month 3 mental health out of contract placements where the forecast overspend was £1.2m. With regard to the latter it was agreed that a report be provided for the next meeting to gain an understanding of the position. *Post meeting note: Deferred to September meeting.*

MA-M sought members' views on future reporting in respect of repatriation and health optimisation due to potential commercial sensitivity noting that NHS Scarborough and Ryedale CCG only reported the total for acute contracts for this reason. He proposed, and members agreed, that the Committee should continue to receive the detailed report with summarised acute spend information being presented at Governing Body meetings.

In conclusion MA-M noted that the underlying financial position was in line with plan, there were no material concerns with the CCG's balance sheet as at 30 June 2018 and, as in previous years, there was a timing issue affecting the requirement to not exceed the Maximum Cash Drawdown as determined by NHS England. He noted that the latter would be corrected.

Discussion ensued on the recent Agenda for Change pay award which had been assessed as a c£130k impact on the CCG. MA-M advised that the CCG was expected to receive the increase to the running cost allocation and providers would receive their allocation direct. However, the pay award for arms' length bodies, such as the voluntary sector and hospices, with staff on Agenda for Change type contracts, was more complex and for local determination. MA-M had been updated on discussion at the Chief Finance Officers meeting the previous day in this regard and the full impact required assessment. He also noted that the lowest two points on most pay scales had been compressed which had not been part of the consultation and confirmed that the new pay points were reflected in July salaries; the backdated award to April 2018 would be paid in August salaries.

CA joined the meeting.

As this was MA-M's last meeting as Acting Chief Finance Officer members commended his comprehensive presentation of complex reporting and expressed appreciation for his work. JS concurred with this on behalf of NHS England.

The Committee:

1. Received the Month 3 Financial Performance Report.
2. Requested a report on mental health out of contract placements to gain an understanding of the position. *Post meeting note: Deferred to September meeting.*

7. Resilience and Winter Planning

KS referred to the report that described a timeline for winter planning from April to September 2018, contributions from ongoing projects, new and emerging project contributions and areas of ongoing system concern. He noted that initiatives to reduce the increasing activity levels, including additional primary care capacity and resilience, were now at a point where they could be assessed but whether any impact was as a direct result of these was complex to gauge. There was a need to understand out of hospital activity, particularly in primary care.

KS advised that the latest review of activity did provide a better understanding but did not identify areas of the system that required change. This should be achieved through the Aligned Incentives Contract. KS highlighted the complexity of explaining this approach noting there was now recognition at York Teaching Hospital NHS Foundation Trust of pressures in primary care and that GPs had concerns that it would have an adverse impact on their workload. He emphasised that only through an Aligned Incentives Contract could more investment be made in primary care.

KS noted the need to understand and reduce winter activity at York Teaching Hospital NHS Foundation Trust through changing patient flow. He highlighted that the actual costs to run the hospital did not increase and noted the impact on health activity emanating from winter and Bank Holidays.

The Committee

Received the report on resilience and winter planning.

8. Update on System Performance Metrics under Aligned Incentives Contract

CA referred to the emerging data set presented in response to the Committee's request and noted that the System Transformation Board was meeting on 30 July. She reported that, following the departure of Sue Rushbrook, her role of Director of Systems and Network Services at York Teaching Hospital NHS Foundation Trust had been divided into three posts: Patient Access, Informatics and Corporate/Strategic Requirements.

CA highlighted that each joint programme was being refreshed under AIC and the associated emerging datasets were being developed. A time-out with York Teaching Hospital NHS Foundation Trust Quality Improvement Team on 23 July had confirmed that for the most part their Transformation and Cost Improvement Plan and QIPP around planned care were aligned. CA noted that each of the working groups would produce and agree a dashboard for formal reporting to the System Transformation Board. The CCG was also working with NHS Scarborough and Ryedale CCG and York Teaching Hospital NHS Foundation Trust to refresh performance reporting under the Aligned Incentives Contract. This would be incorporated in the regular Integrated Performance Report.

CA referred to work taking place at specialty level in pressured areas. Primary care referrals were being reviewed weekly and there was a focus by NHS England and NHS Improvement on the management of waiting lists and impact of referrals on them.

With regard to the latter a report to provide an update on elective care had been requested for the Humber, Coast and Vale Sustainability and Transformation Programme Executive on 8 August and work was taking place to understand the impact of current referrals in Quarter One on the July waiting list position. A joint meeting with York Teaching Hospital NHS Foundation Trust and both the regulators was taking place on 31 July to review the waiting list positions and consider the impact of the current planned care programmes of work across the York-Scarborough system.

CA noted that the Planned Care Steering Group on 15 August was expecting a report by specialty on current performance, pressures and priorities.

CA reported that York Teaching Hospital NHS Foundation Trust were in the process of undertaking administrative and clinical reviews of their overdue follow-ups backlog. She also reported that the working group for Referral for Expert Opinion was now established. KS added that the criteria and process for seeing a consultant would be changed accordingly as these programmes of work were developed. CA also advised that primary care involvement would be sought to build the clinically-led models which would underpin the Referral for Expert Opinion transformation.

CA noted the need for focus on urgent cancer referrals as they were creating additional pressure on capacity to deliver routine elective care and in turn performance was deteriorating.

The Committee

Noted the ongoing work to develop system reporting metrics under the Aligned Incentives Contract.

9. Integrated Performance Report Month 2 including rationalisation of papers

CA gave a presentation 'Improvement Assessment Performance 2017/18 Assessment and Performance Priorities for 2018/19', circulated on 1 August to members, comprising the Improvement Assessment Performance ratings for 2016/17 and 2017/18 for all Humber Coast and Vale Sustainability and Transformation Partnership CCGs; summary of the domains in each group; NHS Vale of York CCG 2017/18 quarter 4 areas of strong performance and of low performance by priority; and Quality Premium priority areas.

CA noted that formal notification of clinical Improvement Assessment Framework priorities for 2018/19 was awaited from NHS England but cancer would remain a priority. She advised that work was taking place with NHS Scarborough and Ryedale CCG in terms of the potential to align reporting to committees. The format of the performance report would change as the national Improvement Assessment Framework 2018/19 was refreshed and performance reporting jointly under Aligned Incentives Contract developed.

A shared folder of supporting documents would be established which would be accessed by Committee members in support of a central performance report.

CA noted that the current Month 3 performance report now had integrated annex documents attached which could be opened through double clicking the 'paper click' icon.

Discussion ensued on a number of aspects of the CCG's performance in 2017/18 and CA noted that it formed a good foundation for 2018/19. CA highlighted that the CCG now understood the data source for each indicator and where possible the local position and recovery actions. Escalation around performance recovery plans would be to the Financial Performance Recovery Board in the first place and then on to Committee.

Further detailed Improvement Assessment Framework analysis would be presented to the August Committee. .

It was agreed that MC, NW and KS would present a clinical review at the AGM informed by the key clinical and quality Improvement Assessment Framework indicators.

With regard to clarification sought at the previous meeting about radiology expenditure on private radiology services. CA advised that the value and volume for radiology subcontracting locally was currently £857,461 across four or five different modalities and providers. She noted that work was beginning imminently with NHS Elect and York Teaching Hospital NHS Foundation Trust to review local radiology demand and capacity and develop the recovery plan.

CA referred to 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 included annexes providing core supporting performance information. She noted the headline information and highlighted further deterioration in diagnostics was having an impact on radiology and also cancer 62 day performance which was impacting on the local system having access to the full Sustainability and Transformation Partnership cancer 62 day system transformation funding.

The Committee:

1. Noted the update on the Improvement Assessment Framework performance 2017/18 Assessment and Performance Priorities for 2018/19.
2. Received the Integrated Performance Report as at month 2.

CA left the meeting.

10. Improving Access to GP Services Procurement

AB explained that the tender for Improving Access to GP Services, published on 29 May with a return date of 9 July, had been split into locality based lots: Lot 1 North, Lot 2 Central and Lot 3 South. Bidder A had submitted bids for Lots 1 and 2, Bidder B had submitted a bid for Lot 2 and Bidder C had submitted a bid for Lot 3. Evaluation was on 100% quality/delivery as the price was a fixed envelope but the financial models

had been reviewed by the CCG's Head of Finance for Primary Care to ensure viability and sustainability.

AB reported that clarification had been sought through the evaluation process and the triangulation meeting had taken place on 24 July between the Quality Evaluation Panel and Finance Panel. The final result was:

Lot 1	Bidder A	58.09%
Lot 2	Bidder A	58.09%
	Bidder B	62.66%
Lot 3	Bidder C	35.84%

AB highlighted that within the tender documents it had been stated that bids needed to attain a minimum of 60% of all the available quality marks or they may not be considered further in the competition. The recommendation was therefore not to award Lot 3 to Bidder C but to work collaboratively with the Practices and providers in that area to develop a solution.

AB noted with regard to Lots 1 and 2 that face to face meetings were taking place on 27 July with Bidders A and B to provide total clarification. She would then produce the full recommendation award report.

Members sought clarification and assurance on a number of aspects.

SM explained that the contract specification was uniform across the three lots and would not change in light of the requirement for further work in respect of Lot 3. The total contract value would also remain the same, £1.4m.

With regard to risk in not having a solution in the South Locality SM advised that there was an expectation from NHS England that the process had been followed to implement improved access by 1 October 2018. The CCG now needed to work with local providers to meet this requirement in the best possible way. KS added that the proposal would be to work with providers to develop an interim solution.

In respect of the mobilisation AB assured the Committee that, while the Providers' plans may not meet the final target of 45 minutes of additional clinical capacity per 1,000 (weighted list size) patients from 1 October 2018, they did meet the minimum contractual requirement of 30 minutes of additional clinical capacity per 1,000 patients from that date. SM explained that all Providers were aware of the 1 October 2018 "go live" date and the longer term requirement to increase capacity towards 45 minutes per 1,000 patients (which is just under 250 hours of additional appointment time per week across the Vale of York). Assurance had specifically been sought and received in this regard.
Further discussion on the meetings with Bidders A and B on 27 July related to the fact that these were purely for clarification and assurance, they would be minuted and there would be no change to the scores. This approach also took account of lessons learnt from previous procurements undertaken by the CCG.

Members supported the proposed approach for virtual approval to be sought from the Governing Body in view of the existing procurement timeline.

The Committee

1. Approved the process for the Improving Access to GP Services procurement.
2. Agreed that approval of the Award of Contract be via virtual sign off by Governing Body members, taking account of conflicts of interest. The award report would be circulated electronically on Monday 30 July with a response time of 2 August in order to progress the project as per the existing timeline.

SM left the meeting.

11. Anticoagulation Warfarin Monitoring and Management Service

AB presented the report which sought approval to go out to procurement for the Anticoagulation Warfarin Monitoring and Management Service which would be predominantly provided in primary care. The CCG was seeking a single/lead provider to ensure service provision for patients from five Practices who did not wish to provide the Level 4 service. The current level of activity and budget were respectively c550 patients and £108k per annum. The initial contract would be for three years.

AB explained that due to the timescale of advertising the opportunity on 20 August the usual presentation of the specification and weightings had not been possible. However, the PIN (Prior Information Notice) had resulted in three organisations expressing an interest in providing the service.

Members sought and received clarification about the budget and, in view of the geographical spread of the five Practices, the fact that the procurement would be in one lot. AB assured the Committee that the three organisations who had expressed an interest were aware that the procurement was in one lot.

The Committee:

Approved progression of procurement of the Anticoagulation Warfarin Monitoring and Management Service.

AB left the meeting.

12. Key Messages to the Governing Body

- The Committee noted that the financial position was stabilising but had continuing concerns about a number of areas and in particular maintaining the progress of the Aligned Incentives Contract.
- The Committee expressed concern about the timing and delivery of QIPP, emphasising the need to maintain robust analysis.
- The Committee had ongoing concerns about continuing healthcare and mental health out of contract placements and requested an urgent review of the latter.
- The Committee approved the progression of the procurements for Improving Access to GP Services and an Anticoagulation Warfarin Monitoring and Management Service.

The Committee:

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

15. Next Meeting and Forward Plan

The next meeting would be 9am to 1pm 23 August 2018.