

**Minutes of the Quality and Finance Committee held on 18 August 2016  
 at New Earswick Folk Hall, York**

**Present**

Mr David Booker (DB) - Chair	Lay Member
Mrs Fiona Bell (FB)	Deputy Chief Operating Officer
Dr Arasu Kuppuswamy (AK)	Consultant Psychiatrist, South West Yorkshire Partnership NHS Foundation Trust – Secondary Care Doctor Member
Dr Tim Maycock (TM)	GP Governing Body Member, Lead for Primary Care
Dr Andrew Phillips (AP)	GP Governing Body Member, Lead for Urgent Care/Interim Deputy Chief Clinical Officer
Mrs Rachel Potts (RP)	Chief Operating Officer
Mrs Tracey Preece (TP)	Chief Finance Officer

**In attendance**

Mrs Anna Bourne (AB) – for item 5	Senior Procurement Lead
Mrs Sheenagh Powell (SP)	Lay Member and Audit Committee Chair
Mrs Helen Rees (HR)	Assistant Head of Finance, NHS England
Ms Michèle Saidman (MS)	Executive Assistant
Mrs Liza Smithson (LSm) – for item 10	Head of Contracting
Ms Lindsay Springall (LSp) – for item 5	Senior Delivery Manager
Dr Christina Walters (CW)	Interim Programme Management Office Adviser

**Apologies**

Mr Michael Ash-McMahon (MA-M)	Deputy Chief Finance Officer
Mrs Michelle Carrington (MC)	Chief Nurse
Mrs Helen Hirst (HH)	Interim Accountable Officer
Dr Shaun O’Connell (SOC)	GP Governing Body Member, Lead for Planned Care and Prescribing

The agenda was discussed in the following order.

**Apologies**

As noted above.

**Declarations of Interest in Relation to the Business of the Meeting**

There were no declarations of interest in relation to the business of the meeting. All declarations were as per the Register of Interests, however AP declared an interest in discussion of the out of hours contract during discussion of item 9.

## **1. Minutes of the meeting held on 21 July 2016**

The minutes of the meeting held on 21 July were agreed.

### **The Committee:**

Approved the minutes of the meeting held on 21 July 2016.

## **2. Matters Arising**

*QF54 Terms of Reference:* Terms of reference for the new committee structure were being drafted and would be discussed further by the Governing Body.

*QF54 Turnaround Plan – Other:* RP proposed, and members agreed, that the Financial Recovery Plan in response to the legal directions, currently awaited, replace the action relating to the PwC report.

*QF55 Turnaround Plan – QIPP HealthNavigator:* It had been agreed, due to timing and resource issues, that this report be presented for consideration by the Governing Body on 1 September as the proposed investment was more than £500k.

A number of matters were noted as agenda items, completed or scheduled for a future meeting.

### **The Committee:**

Noted the updates.

## **3. Reviews: (A) Financial Arrangements for Mental Health Out of Contract Budgets (B) Financial Procedures and Forecasting of Continuing Healthcare and Funded Nursing Care Budgets and Benchmarking**

TP explained that Neil Lester (NL), Senior Finance Manager and report author, was not presenting this item as he was attending a meeting of finance representatives from the Partnership Commissioning Unit (PCU) and the North Yorkshire CCGs to agree an action plan in response to the report. This would be presented at the September meeting of the Committee.

### *Financial Arrangements for Mental Health Out of Contract Budgets*

This section considered financial planning in terms of process and proposed budget values for 2016/17, observations relating to financial reporting, processes and QIPP, and other observations and areas for consideration. TP reported that the c£1m risk to the CCG's plan identified in the report due to the difference between the PCU's planning and the CCG's planning assumptions had been corrected. This was reflected in the CCG's ledger and was mitigated in the plan. However, a real pressure had emerged from high cost care packages resulting from the closure of Peppermill Court in York. Discussion was taking place with Tees, Esk and Wear Valleys NHS Foundation Trust about management of these costs.

TP advised that work was taking place regarding the other areas identified for potential consideration. She also noted that discussions were taking place with the Local Authorities regarding potential QIPP opportunities, including brokered continuing healthcare packages.

#### *Financial Procedures and Forecasting of Continuing Healthcare and Funded Nursing Care Budgets and Benchmarking*

This review had taken place following concerns arising from Internal Audit reports and at the request of both the Audit and Quality and Finance Committees. It comprised information on benchmarking for continuing healthcare and funded nursing care expenditure and activity, financial processes and reporting, QIPP programmes, and other areas for consideration. TP advised that actions would be agreed across the North Yorkshire CCGs unless they specifically related to NHS Vale of York CCG.

The only area where NHS Vale of York CCG was a significant outlier was joint funded nursing care, which would now be a QIPP focus. TP noted concern that the continuing healthcare QIPP scheme was not delivering as expected highlighting the need to understand the realistic position both in year and recurrently. There was also a need for financial processes and reporting to be improved so that forecasting enabled more accurate planning. TP noted that the CCG received weekly information regarding high cost packages but that work was required to incorporate this more accurately in the financial position.

TP advised with regard to QIPP programmes that further assurance was being sought in relation to both the forecast and governance arrangements.

TP noted in respect of the wider review of the PCU that the commissioning model was now being considered in the context of the future direction of joint commissioning and the Sustainability and Transformation Plan.

In respect of the £2.8m forecast overspend in continuing healthcare TP explained the expectation that urgent action would be taken through working with the Local Authorities to broker lower cost packages via the Better Care Fund. She noted considerable variation across North Yorkshire and York in terms of the market for care packages and that the CCG had funded what appeared to be a realistic level at the time of planning. TP also explained the impact of the backlog of outstanding retrospective continuing healthcare cases as they also translated into an in year pressure. She clarified that the PCU operated as a directorate of the CCG and did not have delegated budget responsibility outside of the CCG's scheme of delegation.

Members commended the report and noted that the next steps from this financial and transactional detail required the CCG and PCU to work urgently at the operational/clinical level.

#### **The Committee:**

1. Welcomed the detailed recommendations relating to financial arrangements for mental health out of contract budgets and financial procedures and forecasting of continuing healthcare and funded nursing care budgets.

2. Noted the action plan in response to the report would be presented at the September meeting.

#### **4. HealthNavigator Business Case**

This report would be presented at the Governing Body on 1 September as agreed above.

#### **5. Community Podiatry Procurement**

Members sought clarification on staffing resource to support the Community Podiatry procurement which was expected to achieve recurrent savings of £200k to £250k. It was agreed that a decision must be taken on the proposed service; procurement resources would be determined as required but excessive agency costs must be reviewed. FB noted that LSp was being funded from the £100k national Pioneer funding and that part of her time was being recharged to the other North Yorkshire CCGs.

*AB and LSp joined the meeting*

LSp presented the report which followed agreement by Senior Management Team that the potential be explored for a joint procurement of Community Podiatry Services with NHS Scarborough and Ryedale CCG. Two appendices comprised respectively a Service Review with Options Appraisal and a Project Plan. The CCG's commissioning intentions regarding exploring this procurement had been notified to the current providers: Harrogate and District NHS Foundation Trust and Jorvik Podiatry Limited. Development of the service specification, which would be presented to the next meeting of the Committee, was being informed by responses to a patient survey.

FB noted that this would be the first joint procurement undertaken by the CCG therefore providing an opportunity to assess the approach of collaborative working.

LSp assured members that NHS Vale of York CCG would be fully represented in the procurement. A workshop was taking place on 2 September relating to the specification, Pre-Qualification Questions and Invitation to Tender questions. AB was liaising in respect of overarching documents.

In response to clarification sought by members, LSp advised that benchmarking was based on CCGs of a similar size where a similar process had recently been completed. Data from the CCG's current providers was also being validated. Further consideration may be required if the level of savings expected was not identified. A five year standard NHS contract was proposed with the usual 12 month notice period. LSp also advised that risk relating to current service users was on the CCG's risk register and would be managed via contracts.

SP and DB confirmed they were assured about the process described and TM and AP expressed support from a clinical perspective. The proposed change would result in an improved service that had been informed by patient and public engagement.

LSp confirmed that the Pre-Qualification Questions, Invitation to Tender questions, key performance indicators, penalties and finance and quality split would be presented at the next meeting of the Committee.

TP added that she had discussed this proposed procurement with Phil Mettam, Accountable Officer Designate, who supported the approach if the Committee agreed it.

#### *Update on Integrated Community Equipment and Community Wheelchair Services Procurement*

LSp reported that, following Governing Body approval of award of contract for Integrated Community Equipment and Community Wheelchair Services and approval by the other commissioners, no challenges had been received during the standstill period. The first mobilisation meeting had taken place and triangulation meetings were scheduled with regard to discussing joint plans, staff consultation and agreeing next steps. LSp expressed confidence in the timescale for implementation.

#### **The Committee:**

1. Confirmed that Governing Body approval was required to progress with the Community Podiatry procurement.
2. Ratified the decision made by Senior Management Team that NHS Scarborough and Ryedale CCG would lead the Community Podiatry procurement.
3. Noted the update on the Integrated Community Equipment and Community Wheelchair Services procurement.

*AB, AK and LSp left the meeting*

#### **11. Corporate Risk Report**

DB noted the new arrangement of this item being at the end of the agenda to confirm whether all areas of risk had been discussed but requested this additional earlier consideration.

RP reported that seven events had materialised of which six were regarded as serious. These related to failure to achieve the 67% dementia coding target in General Practice, failure to achieve an assured position for the 2016/17 plan, failure to manage PCU areas of spend, lack of locally based adult acute mental health inpatient services, failure to fulfill continuing healthcare fast track packages, failure to meet the Constitution four hour A and E target, and judicial review relating to the closure of Bootham Park Hospital.

RP advised that the North Yorkshire County Council and City of York Council Better Care Fund plans had been approved; the letter of formal notification was awaited. Work was taking place to manage risk to delivery and in respect of the Section 75 Agreement.

In response to clarification sought regarding the level of 'red' risk rating RP agreed that further information on actions and progress would be incorporated in the report. It was

also agreed that an addition be made to the report template under 'Impact/Key Risks' to describe the appropriate corporate risk if relevant.

### **The Committee:**

1. Requested additional summary information on mitigating actions to be included in the report
2. Requested addition to the report template under 'Impact/Key Risks' a category to describe the appropriate corporate risk if relevant.

### **6. Turnaround Plan - Financial Performance Report**

TP presented the month 4 report noting that the year end forecast position remained a planned £13.3m deficit but that there had been a £4.85m deterioration in the year to date position. Additionally the year to date unmitigated risk had increased from £7.12m to £8.6m. TP detailed the regular meetings taking place with NHS England who were fully aware of the position.

TP explained the key variances that were impacting on the financial position. These included £2.9m relating to the York Teaching Hospital NHS Foundation Trust contract. Of this £1.3m related to the gap between the contract and the financial plan and £1.6m related to a higher level of activity than planned for trauma and orthopaedics, which was partly offset by an equal underspend on the contract with Ramsay and Nuffield Hospitals. It had not been possible to attribute the over trade to any specific area.

TP confirmed that the £1m overspend in continuing healthcare, discussed at item 3 above, was reflected in the risk information, noted a one off non recurrent cost relating to the closure of Bootham Park Hospital and referred to the earlier discussion with Tees, Esk and Wear Valleys NHS Foundation Trust regarding the cost pressure relating to Peppermill Court, York.

An additional cost pressure of c£1m had materialised relating to funded nursing care due to a nationally negotiated price increase that CCGs were required to manage within year. TP advised that £330k of this was included in the month 4 report.

TP referred to the system resilience schemes which were no longer being funded through the Better Care Fund as originally planned and whose continuation therefore required consideration. The annual cost of the schemes was £862k and the net benefit to health was £250k. Potential cessation of these schemes was discussed in the context of the overall system, the requirement for notice to be given and the impact on development of integrated services. The Committee requested for the next meeting a detailed evaluation of these schemes in light of this and recommendations as to whether or not to continue.

Members discussed concerns regarding the financial pressures and the realism of the declared forecast position. TP advised that the greatest risk was under delivery of the £8m QIPP noting a number of areas of work were being progressed but had not yet reached a stage where they could be included in the financial forecast. Information was being collated to enable the CCG to review all options. This included potential expediting of implementing QIPP and consideration of the system resilience schemes.

*LSm joined the meeting*

In response to DB expressing the view that the Committee did not feel assured that the forecast £13.3m deficit position was achievable, TP emphasised the ongoing work and noted that this would be included in the Financial Recovery Plan to be developed on receipt of the legal directions. The plan would also be informed by those from other areas that had already been approved. The CCG was required to evidence that all options had been considered.

**The Committee:**

1. Noted the ongoing work to maintain the forecast £13.3m deficit.
2. Requested a detailed evaluation and recommendations in respect of the system resilience schemes.

**7. Turnaround Plan – QIPP Update**

FB detailed the work taking place to implement the QIPP schemes and ensure appropriate escalation as required. She noted the work relating to pathway changes in accordance with the RightCare schemes could not be implemented quickly and required time for clinical engagement.

FB referred to the reconfiguration of Archways advising that weekly meetings were taking place to agree the community service model to support people out of hospital. A system wide approach had been adopted for communications in this regard.

FB noted that although the GP at the Front Door of the Emergency Department was currently shown as 'red' on the risk report there was evidence of positive impact on the four hour performance target, with the consequent savings. She noted that the weekly Senior Management Team meetings received detailed information on the progress of schemes and that work was taking place with CW to ensure accuracy of reporting.

Discussion ensued regarding the separate Red Amber Green rating for finance and deliverability. Members noted that CW was working on developing a single QIPP report to provide clear, consistent information across the schemes. They emphasised the need to provide assurance, the ability to identify any remedial action, and the requirement to focus on delivery including information on numbers, timelines and values.

**The Committee:**

Noted ongoing work to develop reporting and emphasised the need for continued focus on delivery.

**8. Turnaround Plan – Other**

This was discussed at item 2 above.

## **9. Quality and Performance Assurance and Intelligence Report**

RP referred to the previous discussion of item 11 regarding dementia coding and A and E four hour performance noting the mitigating actions detailed. AP added in respect of the latter that the GP at the Front Door scheme had commenced on 1 July as planned and its impact was expected to be demonstrated in the next report.

Members discussed the business case and expectations of the GP at the Front Door scheme both in the context of the Sustainability and Transformation Fund and the expected savings to the CCG emphasising that this was the right approach for patients. TP assured members that robust monitoring of the scheme was taking place and commended the implementation at pace of this system change.

In respect of dementia coding in General Practice TM advised that investment was required to meet the national quality target but assured members that appropriate care was taking place. RP additionally noted that Dr Louise Barker was working with Practices and care homes in this regard.

In referring to out of hours performance AP declared an interest as he worked in out of hours. He noted that he would progress outside the meeting concerns relating to availability of doctors for all slots.

### **The Committee**

1. Noted the Quality and Performance Assurance and Intelligence Report.
2. Noted that AP would progress concerns relating to availability of out of hours doctors.

*LSm joined the meeting*

## **10. Contracting Challenge and Communication Log and the York FT Contract Trading Report**

LSm presented the report that comprised, as at June 2016, the CCG's Contract Trading Report with York Teaching Hospital NHS Foundation Trust, the Contract Summary Report and the Contracting Team's Challenge and Communication Log. She explained ongoing challenges to the contract activity, which had in July achieved an adjustment of more than £0.5m, and noted a deterioration in the month 3 trading position for a number of reasons advising of use of trend analysis and case mix reports to identify potential areas of concern.

*TM left the meeting*

In respect of the non Secondary User System overtrade for which members sought clarification, LSm explained that this mainly related to high cost drugs where the QIPP was expected to offset the level of overtrade. Part of the drugs QIPP had delivered but there had in particular been an increase in cytokine inhibitors; a gain/risk share had been agreed for this. LSm advised that the Responsible Commissioner quarter one information was not yet available.



LSm explained that a top level contract analysis of high impact, high volume areas indicated 14% of overall contract value related to emergency admissions, respiratory, elderly medicine and cardiology. The greatest risk was associated with £30m trauma and orthopaedics - £16m at York Teaching Hospital NHS Foundation Trust, £14m at Ramsay and Nuffield Hospitals – and ophthalmology which was 13% of the overall budget mainly for planned care. LSm advised that York Teaching Hospital NHS Foundation Trust, where 25% of overall outpatient activity was in ophthalmology, was developing proposals for these services to be provided in the community. She noted that models established elsewhere removed routine activity from the contract.

Members confirmed that the information provided the assurance they had been seeking regarding the CCG's contracting.

### **The Committee**

Noted the month 3 acute hospital contract trading positions and the processes in place to manage the contracts.

*LSm left the meeting*

### **11. Corporate Risk Report**

Further to the earlier discussion TP explained in respect of Special School Nursing, which the CCG would commission from 1 October 2016, that a discussion had taken place with Sharon Stoltz earlier in the day and she anticipated that agreement would be reached with City of York Council for an appropriate level of funding to be transferred to the CCG. She noted the expectation of a small net financial pressure from this.

### **The Committee:**

1. Received the Risk Register report.
2. Noted the strategic and corporate risk portfolio and burden of risk in specific areas.
3. As detailed above, requested additional information on mitigating actions be included in the report and addition to the report template as detailed above to provide clarity of corporate risk associated with agenda items.

### **12. Key Messages to the Governing Body**

- The Committee received and commended a transactional report on PCU financial processes. Further urgent discussion was needed with PCU management regarding positive action to be jointly adopted to exercise control within budget.
- The Committee agreed the proposal to jointly procure a Community Podiatry service with NHS Scarborough and Ryedale CCG, which would take the lead role.

- Concern was noted regarding the Risk Report, the high number of “red risks” and the lack of related action and achievements. Additional reporting was requested and the committee report template was to be amended to describe the corporate risk to which items related.
- The Committee expressed lack of confidence in the ability of the CCG to reach agreed financial balance due to lack of assurance regarding delivery of savings particularly from QIPP schemes. Reporting should include timelines, implementation progress and financial achievement.
- Urgent further work was required to itemise costed choices and priorities to enable the Governing Body, partners and stakeholders to make informed decisions. The underlying financial position was seen to be worsening.

**The Committee:**

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

**13. Next meeting**

9am on 22 September 2016

**NHS VALE OF YORK CLINICAL COMMISSIONING GROUP QUALITY AND FINANCE COMMITTEE**

**SCHEDULE OF MATTERS ARISING/DECISIONS TAKEN ON 18 AUGUST 2016 AND CARRIED FORWARD FROM PREVIOUS MEETINGS**

Reference	Meeting Date	Item	Description	Responsible Officer	Action Completed/ Due to be Completed by (as applicable)
QF54	23 June 2016  18 August 2016	Turnaround Plan – Other	<ul style="list-style-type: none"> <li>• CCG’s action plan developed in response to the PwC report to be reviewed with a view to updating</li> <li>• Financial Recovery Plan in response to Directions to replace this action</li> </ul>	RP  RP	Ongoing
QF56	18 August 2016	Reviews: (A) Financial Arrangements for Mental Health Out of Contract Budgets (B) Financial Procedures and Forecasting of Continuing Healthcare and Funded Nursing Care Budgets and Benchmarking	<ul style="list-style-type: none"> <li>• Action plan to be presented</li> </ul>	TP	22 September meeting
QF57	18 August 2016	Turnaround Plan – Financial Performance Report	<ul style="list-style-type: none"> <li>• Evaluation and recommendations relating to system resilience schemes</li> </ul>	TP	22 September meeting

Reference	Meeting Date	Item	Description	Responsible Officer	Action Completed/ Due to be Completed by (as applicable)
QF58	18 August 2016	Quality and Performance Report	<ul style="list-style-type: none"> <li>Concerns relating to availability of out of hours doctors</li> </ul>	AP	
QF59	18 August 2016	Corporate Risk Report	Addition to template under 'Impact/Key Risks' a category to describe the appropriate corporate risk if relevant	MS	